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OFFICIAL REPORT

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HOUSE OF COMMONS

Tuesday, June 6, 1967

The house met at 2.30 p.m.

[*Translation*]

EXTERNAL AFFAIRS

TABLING OF CULTURAL AGREEMENT BETWEEN CANADA AND BELGIUM

Mr. Gérard Pelletier (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I ask leave of the house to table, on behalf of the Secretary of State for External Affairs, the French and English texts of the cultural agreement between the government of Canada and the government of the kingdom of Belgium.

[*English*]

EXTERNAL AFFAIRS

MIDDLE EAST—REQUEST FOR REPORT ON CEASE FIRE NEGOTIATIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the Israeli army having established for Israel the right to live, if today's press reports are correct, I would now ask the Prime Minister whether he is in a position to make a statement to the house as to what progress, if any, is being made to bring about a cease fire. I realize that the United Nations security council will not meet until this afternoon, but I wonder if the Prime Minister is in a position to give some information to the people of Canada. I have found out that they are most anxious to know what is going on. While secrecy is important, at the same time as far as possible they should be able to secure information in this house rather than indirectly through the press.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the security council has been meeting, but more importantly the members of the security council have been discussing among themselves a resolution calling for an immediate cease fire. Those discussions have not resulted in an agreement among all the members of the security council on the terms of such a cease fire resolution. I believe the discussions are continuing at this moment with a view to a meeting of the security council later this afternoon.

We can hope there will be agreement among all the members, including the U.S.S.R., the United Kingdom, France and the United States of America on the terms of such a resolution. We can hope for that, but it is premature to say that it has been achieved. It is being considered at the moment, and as soon as there is any more definite information I would of course be very glad to give it to the house. But while these discussions are going on, and our own ambassador is participating in them, it is difficult for me to say more.

Mr. Diefenbaker: Mr. Speaker, I realize the limitations and I have a suggestion to make for consideration by the government; namely, that a secret session of the house should take place so that members may be given some idea as to what is the general situation, provided that a cease fire is not determined on in the meantime by the United Nations security council. In any event, regardless of whether it is or is not, I suggest that the estimates of the Department of External Affairs should be presented, if possible tomorrow, so that discussion may take place on this matter that exercises the hearts of free men everywhere.

Mr. Pearson: Mr. Speaker, it would be possible and perhaps desirable to arrange for a discussion in connection with the estimates of the Department of External Affairs. I believe they would have to be brought back from the standing committee for that purpose; however, that could be easily done. It might be desirable to do that on Thursday, which is a longer day, but it could be done tomorrow if the situation required it.

So far as a secret session is concerned, this naturally would be held only in conditions of emergency. I am not suggesting that it might not be desirable to have a secret session, but at the moment I do not think it would be as useful as a public discussion. I shall keep in touch with my right hon. friend and the leaders of the other parties before we introduce the external affairs estimates tomorrow or Thursday, and if the situation requires some unusual procedure of the kind suggested perhaps we could agree on that.

Mr. Diefenbaker: Mr. Speaker, I would like to direct a supplementary question to the Secretary of State for External Affairs. I ask

him if it is a fact that the U.A.R. has severed diplomatic relations with the United States and, second, that Iraq, Kuwait and Algeria have decided to cut off oil deliveries to the United States and Britain because of their alleged support of Israel, and that there is speculation that Saudi Arabia and Libya may join such a boycott.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, this is the report that I have seen. It has not been received officially from any of our embassies, but I believe this happens to be the case.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I address a supplementary question to the right hon. Prime Minister. While we all hope that a cease fire can be effected, and the terms of such an agreement are extremely important for the future peace and stability of the Middle East and indeed of the whole world, I would like to ask the Prime Minister if we can have assurance that the Canadian representative on the security council will urge that the terms of any cease fire include some provision for guaranteed access to the gulf of Aqaba by Israel, and a program for dealing with the problem of the Arab refugees.

Mr. Pearson: Mr. Speaker, of course the question of most immediate importance is to stop the fighting. The resolution in question should do that. Discussions have been going on during most of the night, as a matter of fact, concerning the terms of what would appear to be such a simple resolution. While I do agree that this is the immediate objective, there should also be an arrangement made, if possible, in connection with this crisis so that a cease fire would not mean merely a return to the situation which existed before the cease fire. Whether it is possible to do that in a resolution which concerns also a cease fire or in a separate and subsequent resolution is one of the questions now being considered. In any event a cease fire will not be effective, except as a cease fire, if it means further action will be necessary through diplomatic or other channels to fight out the problem of access to the gulf of Aqaba. So this is a most complicated question. There is the necessity of stopping the fighting at once, and at the same time of doing more than stopping the fighting, to ensure that it will not recur.

Mr. Douglas: May I ask a supplementary question, Mr. Speaker. Do I understand from the Prime Minister's remarks that the Canadian representative will be taking the position that any resolution calling for a cessation of hostilities will not require that Israel, for instance, withdraw from Sharm el Sheik in the event that Israel holds a position which guarantees access to the strait of Tiran?

Mr. Pearson: The terms of the resolution are being discussed not only by our representative but at this very moment I believe by the representatives of the U.S.S.R., the U.K., France and the United States of America. If it is possible for all members of the security council to agree on a resolution, including the four permanent members I have mentioned, I think it would be a happy result.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, does the Prime Minister not think it is desirable to be realistic as well as idealistic? Does he not believe that start lines are equally important in the question of a cease fire? In other words is it meant what was the position at that time of what took place last Sunday or a fortnight ago? Surely it is quite unrealistic merely to ask the belligerents to put down arms where they stand in the event that there are actually Arab incursions into Israel or Israeli incursions into Egypt.

Mr. Pearson: I think the representatives of the governments I mentioned, the U.S.S.R., the U.K., the United States of America, France and Canada, as well as others who are discussing this matter, are trying to do it in very realistic terms.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is practically a supplementary one to the right hon. Prime Minister.

Supposing the security council adopts, later on today, a resolution on the ceasefire in Israel and the United Arab Republic, what guarantee do we have that the belligerent countries will in fact cease fire, if the security council does adopt such a resolution?

Is the situation not so complicated that one does not know exactly what is going on, and what will be the attitude of the government in that eventuality, that is if the adopted resolution is not respected by the belligerents?

[*English*]

Mr. Pearson: No, Mr. Speaker; this is a hypothetical situation in respect of which I hope I will not be asked to give a final opinion. I would point out, however, that if a

resolution should be adopted which is agreeable to both the U.S.S.R. and the U.S.A. on a matter of this kind, that in itself would be quite a guarantee.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I have a supplementary question for the Prime Minister or the Secretary of State for External Affairs. In view of the fact that the truce supervisory organization headquarters was overrun, what provision has been made for re-establishment of the headquarters to either receive or issue directives, and what provision has been made for the safety of the personnel of this supervisory commission which I think has 20 Canadians on it?

Mr. Martin (Essex East): Mr. Speaker, we have no information at the moment that would suggest Canadian personnel with the United Nations truce and supervisory organization have been personnally affected in terms of their personal security by the situation in the Middle East. UNTSO has now taken up new headquarters, but I cannot give my hon. friend information as to exactly where because I do not have it.

I may say that General Rikhye, Commander of the United Nations emergency force, has been cut off from the main body of this force and I believe some 20 members of UNEF are with him, as well as two representatives of the United Nations truce supervisory organization.

Mr. Olson: I have a supplementary question. Will the minister tell us whether communications have been re-established between the organization and UN headquarters in New York?

Mr. Martin (Essex East): As of twelve o'clock, no.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question either to the Prime Minister or to the Secretary of State for External Affairs. As far as is possible and appropriate, can we be informed as to the approximate positions of the Arab and Egyptian armies? Has Egyptian territory been invaded and, if so, to what extent? Has the Egyptian army invaded Israel and, if so, to what extent?

Mr. Pearson: Mr. Speaker, it has not been possible for our officials on the spot to obtain any information from the governments in question as to where their forces are at the present time.

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, I should like to ask a supplementary question of the Prime Minister. Following a United Nations security council resolution calling for a cease fire, would it automatically be backed up by UN troops?

Mr. Pearson: Not necessarily, Mr. Speaker. The resolutions being considered now during these informal discussions are resolutions which do not include implementation by the use of force.

Mr. Nesbitt: Mr. Speaker, I have a supplementary question for the right hon. Prime Minister. Will he indicate to the house how a cease fire could be arranged if there is no general knowledge as to the approximate positions of the troops?

Mr. Speaker: The hon. member for Edmonton West.

Mr. Lambert: Mr. Speaker, that also was my question, one that was rather obvious.

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of National Defence. According to an air force protocol officer much valuable equipment was left by the Canadians in the Gaza strip, and according to him this has been lost. Will the minister inform the house as to the value of this equipment?

Hon. Paul Hellyer (Minister of National Defence): That is not my information, Mr. Speaker. The only Canadian equipment left behind of which I have knowledge are two generators and two mule forklift trucks. They were a number of years old and had served their usefulness to the extent that the commander felt they were not worth retrieving. Therefore, to the best of my information, all national property was retrieved. Any other equipment that was left in Egypt belongs to the United Nations.

Mr. Muir (Lisgar): Mr. Speaker, perhaps I could send the minister this statement in order that he may check into it.

Mr. Hellyer: I would be glad to do so.

[*Later:*]

Mr. Lambert: Mr. Speaker, my question is for the Prime Minister. In view of the inability or reluctance of the Prime Minister to tell the house what is the relative position of the respective forces in the belligerent area in the Middle East, I wonder whether perhaps

the Department of External Affairs could consult the correspondents of the C.B.C. who have been sent from Ottawa to the battle scene to report back to us by radio, to see whether they could advise us as to the exact location of the forces.

Mr. Pearson: The positions of the forces may have changed since my hon. friend asked the question fifteen minutes ago.

HUMAN RIGHTS

INQUIRY AS TO LEGISLATION RESPECTING RIGHT OF PRIVACY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Solicitor General. In view of the widespread interest in the right of privacy, as the most valuable right of civilized man, has the government given consideration to the introduction of legislation after the fashion of the bill introduced by the member for Kootenay West, to provide that wire tapping and eavesdropping be prohibited except for the administration of justice and the security of the nation?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I hope the hon. member will be pleased to learn that I have not changed the views I expressed some time ago in relation to a private member's bill; but I believe I ought to await the report of the royal commission on security before making a final decision.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Solicitor General. Mention was made of the royal commission on security. Would the minister say whether that commission is now sitting, where it has its location so that representations may be made to it, and whether it intends to sit in various parts of the country?

Mr. Pennell: Mr. Speaker, I have not been in close touch with the commission. I expect to appear before them as a witness very shortly here in Ottawa. To the best of my knowledge and subject to confirmation, they have restricted their hearings to date to this city.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. May I ask the Solicitor General whether the terms of reference of the commission include the area of wire tapping and bugging, or were the terms of reference restricted to security provisions within the public service?

[Mr. Lambert.]

Mr. Pennell: The terms of reference, of course, are a matter to be determined by the members of the commission, but I recall that the terms include investigation into security matters keeping in mind both the interests of the state and the rights of the individual.

[*Translation*]

LABOUR RELATIONS

ATTITUDE OF BOARD RESPECTING UNION REPRESENTATION

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Does the minister intend to make a statement in the house in connection with the meetings held between the Quebec ministers and the C.N.T.U. leaders with regard to the intentions of the C.L.R.B. concerning labour representation?

Hon. Jean Marchand (Minister of Manpower and Immigration): No, Mr. Speaker.

Mr. Grégoire: May I put a supplementary question, Mr. Speaker?

Mr. Speaker: Order. I think that the question was out of order. The hon. member is asking the minister to report on discussions which may have taken place outside the house and which obviously do not come under the administrative responsibility of the federal government.

Mr. Grégoire: I should like to ask a question that is in order, Mr. Speaker.

Can the minister tell the house whether the cabinet will ask the Canada Labour Relations Board to announce its intentions with regard to union representation?

Mr. Speaker: I believe the hon. member could, with profit, place this question on the order paper.

[*English*]

NORTHERN AFFAIRS

WHOOPING CRANES—EXPERIMENT IN INCUBATING EGGS

On the orders of the day:

Mr. Terence Nugent (Edmonton-Strathcona): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. It is based on a report that Canadian wildlife authorities have co-operated with the Americans in obtaining some whooping crane eggs, which have been taken

to an American naturalist to incubate and try to raise the young birds. Would the minister give immediate consideration to securing the services for this purpose of Mr. Al Oeming, head of the Alberta game farm and Canada's leading zoologist and naturalist, who is the best qualified of all people in North America in raising cranes, so we may have a successful experiment along these lines? Mr. Speaker, the minister nodded his head, and I was not sure whether he agreed with my suggestion.

Mr. Speaker: Order, please. The hon. member was making a suggestion rather than asking a question, and I did not think that was in order at this time.

NATIONAL HARBOURS BOARD

HALIFAX—PRACTICE FOLLOWED IN MAKING PROMOTIONS

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, my question is for the Minister of Transport, and I ask it in order that the labour problems in Halifax may be alleviated. Is the practice being followed by the National Harbours Board in Halifax with regard to promotions consistent with the practice being followed in other N.H.B. ports?

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

Mr. Forrestall: With respect, Mr. Speaker, we have in Halifax a very difficult labour situation affecting the raisers of chickens and other livestock, and this practice has been followed for some time—

Mr. Speaker: Order, please. If the hon. member thinks I am wrong and this is a matter which requires immediate attention, it can be discussed later today.

COMMONWEALTH RELATIONS

INQUIRY AS TO MEETING OF PRIME MINISTERS

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the Prime Minister. It arises out of reports of the visit of Prime Minister Holt of Australia. Can the Prime Minister tell us what was the Canadian response to the suggestion of Prime Minister Holt that it was unlikely there would be a meeting this year of commonwealth prime ministers? Was there agreement on that thought?

Right Hon. L. B. Pearson (Prime Minister): I think it is generally understood—Mr. Wilson also brought up the matter when he was here—that it is not likely there will be a meeting of commonwealth prime ministers this year. But of course that will depend on developments during the rest of the year.

OIL

POSSIBLE INCREASED EXPORTS DUE TO EVENTS IN MIDDLE EAST

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I should like to ask the Prime Minister a question with reference to the petroleum industry. Has there been any discussion between the Canadian government and the governments of Great Britain and the United States concerning greater exports of petroleum from Canada in view of the dislocation of the industry in the Middle East?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, to my knowledge there have been no discussions directly concerned with the present political situation, but the Prime Minister may have had conversations on that subject of which I am not aware.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I can say there was at least one recent discussion in which I pointed out how secure Canadian sources of petroleum products are.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): May I ask a supplementary question, Mr. Speaker?

I should like to ask the Prime Minister whether measures are being contemplated to facilitate shipping western oil to the eastern ports for export in case the Middle East oil wells are closed?

[*English*]

Mr. Pearson: Not in recent days or weeks, Mr. Speaker.

EXPO '67

POSSIBLE PRESENTATION TO CANADA OF PAVILIONS ON SITE

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, I have a question for the Prime Minister with regard to the recent visit of the Prime Minister of Australia. It relates to his very kind offer yesterday to present the Australian pavilion on the Expo site to Canada as a

permanent institution. I wonder whether action is being taken by the government to encourage other exhibitors to take similar action.

Mr. Speaker: Order, please. I think this question should be placed on the order paper.

POLLUTION

MONTREAL—REPORTED DUMPING OF INSECTICIDES INTO ST. LAWRENCE RIVER

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Has his attention been drawn to complaints about the dumping of insecticides into the St. Lawrence river near the Expo site? If so, is his department conducting an investigation into this complaint?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Not to my knowledge, Mr. Speaker, but my department took part in the exercises previous to present events.

[*Later:*]

Mr. Aiken: Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources, arising from the fact that I have been sitting here trying to figure out what was the minister's answer to my first question. Would he advise us whether his department has some responsibility in connection with the pollution of the St. Lawrence river and complaints concerning the dumping of insecticides into the St. Lawrence?

Mr. Speaker: Order, please. I suggest to the hon. member that his question cannot be asked at this time.

Mr. Aiken: Mr. Speaker, the minister certainly gave me a vague answer. He is entitled to do this, but I think he intended to give me a real answer.

Mr. Speaker: Perhaps this might be done at some other time. I suggest to the hon. member that the supplementary question is not in order.

TRANSPORTATION

REPORT ON MARITIME STUDY—OPPORTUNITY FOR REPRESENTATIONS

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 lack of any favourable comment on the consultants' report of transportation problems in the Atlantic provinces, can the minister say whether he has devised a method to receive such comments and briefs, and if not, in what way will complaints about the said report be received?

Hon. J. W. Pickersgill (Minister of Transport): I think, sir, the hon. gentleman has been reading the wrong newspapers.

Mr. Bell (Saint John-Albert): On a supplementary question, will the minister state whether the government is in a position to receive any comments, favourable or otherwise, on this report?

Mr. Pickersgill: I will be very glad to receive representations from any interested person or organization. I indicated that during the discussion of my estimates, and the offer still stands.

Mr. Bell (Saint John-Albert): I have another supplementary question. Is there any danger that the minister and the government might act quickly on this report?

REQUEST FOR POSTPONEMENT OF ABANDONMENT HEARINGS UNTIL LEGISLATION PROCLAIMED

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is directed to the Minister of Transport. I should like to ask him whether he is prepared to accede to the request of the Manitoba Branch Line Association to postpone any abandonment hearings until such time as part I of Bill C-231 is proclaimed.

Hon. J. W. Pickersgill (Minister of Transport): I think, sir, I answered that question quite some time ago.

Mr. Schreyer: Mr. Speaker, I should like to ask the Minister of Transport whether any remedial order in council has been passed to reconcile the guaranteed prairie rail network with the assurances he gave last fall. The minister did say there was an error and that a remedial order in council might be pending.

Mr. Pickersgill: I think the order has been passed and published in the Canada Gazette, but I confess I have been away from Ottawa for a week and I have not checked the Gazette myself. However, I will do so.

DEFENCE PRODUCTION

SELECTION OF BUILDERS FOR NEW DESTROYER ESCORTS

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, my question is for the Minister of National Defence. I wonder whether he would be kind enough to advise the house whether it has now been confirmed that the Davie shipbuilding yard has been selected as the lead yard for two of the four new destroyer escorts.

Hon. C. M. Drury (Minister of Industry): There has not yet been a final decision in this regard, Mr. Speaker.

IMMIGRATION

U.S. CITIZENS IN CANADA TO ESCAPE ARMY DRAFT

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I have a question which I would like to address to the Minister of Manpower and Immigration. Can he give us any estimate as to how many United States citizens may be visiting Canada at the present time in order to avoid the army draft?

Mr. Speaker: Order, please. This is a question which asks for information of a statistical nature and therefore cannot be asked at this time.

Mr. Cowan: May I put it at ten o'clock, Mr. Speaker?

[*Translation*]

CANADIAN NATIONAL RAILWAYS

PROPOSED ELIMINATION OF CERTAIN STOPS IN LOTBINIÈRE COUNTY, QUE.

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): I should like to join my Conservative friend for York-Humber (Mr. Cowan) to discuss the following question at ten o'clock, Mr. Speaker.

My question is addressed to the Minister of Transport. I should like to ask whether he intends to suggest reconsideration of the decision taken by the C.N.R. to eliminate the stop-overs of its trains at Manseau, Ville Leroy, Laurier Station, important centres in the constituency of Lotbinière?

[*English*]

PRIVILEGE

MR. MACLEAN, QUEENS—TWENTY THIRD ANNIVERSARY OF D-DAY

Hon. J. A. MacLean (Queens): Mr. Speaker, on a question of privilege and in the absence of the hon. member for Colchester-Hants (Mr. Kennedy), who I believe is attending memorial services in Normandy, may I take this opportunity in spite of the very grave world crisis at the present time, to point out to the house that this is the twenty third anniversary of D-day, which was the commencement of the liberation of Europe and the securing at very considerable sacrifice of freedoms which we seem sometimes to take for granted.

Some hon. Members: Hear, hear.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Thursday, June 1, consideration of the motion of Hon. Mitchell Sharp (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Hon. J. W. Monteith (Perth): Mr. Speaker, when I concluded my remarks last Thursday evening I indicated that I would reserve any further comments on the budget until I more closely could examine the minister's remarks and their implications. My immediate impulse was to say simply that as there was nothing in the budget, there was probably not much more to say. My belief was that it was a do nothing budget.

Further study has caused me to conclude that the minister has been very remiss in his duty to Canadians as a whole. He reminds me of somebody who has more or less washed his hands of the whole sorry business. His attitude and remarks the other evening were those of an auditor, not a minister of finance. He appeared to be simply reporting to parliament that it really was not his fault if expenditures were up 20 per cent in the current fiscal period. Nor, he implied, should he be held responsible in any way if we face the highest cost of living in our history, a cost of living which he admits is going to increase. It would seem he has no control over cabinet expenditures. He appeared to bow to the inevitable and simply accept his colleagues' demands for higher and higher government

expenditures. I said then that we have the largest spending, the highest taxing, the highest cost of living and almost the greatest deficit in our history. I repeat that accusation now.

• (3:10 p.m.)

The minister has done nothing to control the spending habits of his cabinet colleagues. This approach, Mr. Speaker is having and will have very serious results for Canadians and Canada. It not only endangers our economic situation in the world at large but could cause the decline of our whole federal system of government. I did not wish to heap too much criticism on the minister's budget the other evening beyond noting that it was a "ho-hum" budget doing little for this country. While it does result in a great deficit, I cannot make myself use some of the phrases heaped on the Conservative government of earlier years when it ran a deficit to help bring Canada out of a recession.

Perhaps there is merit, however, in quoting some of the views of members of the Liberal party on deficits. On June 22, 1961, for instance, the present Minister of National Defence (Mr. Hellyer) said, as reported on page 6887 of *Hansard*:

> What a farce. This government has the integrity of an alley cat. After its whinings and howlings it refuses to take responsibility for its financial misdemeanours.

Then this gentleman went on to say:

> The minister has said that this is not an ordinary budget. That is a mouthful even for the minister. He called it an economic budget. In truth it will turn out to be an economic bungle.

The present defence minister went on to attack the then minister of finance by calling him a blushing bride, one who puts woollen stockings in a washtub of boiling water and finds on removing them that they have shrunk to a considerably smaller size. I quote his words:

> We wonder to what extent the Canadian dollar will be shrunk as a result of the monetary expansion which the minister of finance may have to prescribe in the existing circumetances.

Then, along came the present Minister of Transport (Mr. Pickersgill). His major contribution to the debate began with these words:

> I thought someone on the other side would have been able to find something to say in favour of the budget, but in fact I am not in the least surprised that they have not been able to do so.

With these descriptive phrases, he declared our budget of that time to be the greatest anticlimax in history.

[Mr. Monteith.]

Then the present Secretary of State (Miss LaMarsh) had her turn. She said:

> Alas, the people of the country are left as a woman is left in the lurch waiting at the church—

Then she went on:

> We wonder why the Canadian people are restless and afraid. Why do they have no confidence? Why will they not invest their money in Canada?

I am not one of those, Mr. Speaker, who can use such telling phrases in regard to the Liberal budget or really cast such reflections on the work of any man. However, I cite these remarks as examples of what the present government members think of budgets which produce deficits. These quotations from these ministers go back to 1961. They were castigating the deficit of a Conservative government, but the deficit of that day was not like this Liberal deficit. The economic requirements of the day made the Conservative deficit good, common sense, something that helped the country, something which created jobs. The deficit of that day did not bring more inflation as this Liberal deficit is bound to do.

The other evening the minister casually brushed over the effect on the money markets, interest rates, international affairs and domestic prices of his tremendous call for cash to finance this government's operations. He noted that this year he will require $1,520 million, double last year's figure of $719 million, to meet requirements over and above those which taxes can provide. Where will the money come from? It can only come from printing more money, creating bank credit, raising taxes later in the year or raising large sums of money from the public by selling government bonds and other securities.

I should like to say a word here about the projected deficit. Let us not fool ourselves. If the government predicts a deficit of $741 million the government probably expects a deficit of $1 billion, the largest by far in Canada's history. There will be supplementary estimates, price increases, and a great desire to go on spending to try to make everyone happy in anticipation of a Liberal leadership race and a general election. All the signs point to the government having to move into the money market in a very big way.

The minister said that we face a major task in borrowing cash this year. As I said before, when the Conservative government used deficit financing the economy was far below its capacity. We used deficit financing to create jobs. Today, however, the Canadian economy is almost at capacity. Prices are rising.

Government spending alone is sending hundreds of millions of dollars more chasing after goods and services.

The other night the minister sort of glossed over the fact that unemployment throughout Canada stands at 3.5 per cent, 2.5 per cent in Ontario and 2.1 per cent in the prairies. There was no mention made of the figure for the Atlantic region. Actually it is 6.5 per cent for 1966 and 10.6 per cent for the month of March compared with 3.9 per cent for Ontario for March. The unemployment figure for Quebec is nearly twice as high as that of Ontario and in the Atlantic provinces it is nearly three times as high.

As the minister noted, prices are now 7.3 per cent above what they were two years ago. It is obvious, sir, that the grocery dollar is getting smaller and smaller. At the same time that prices are rising the government must attempt to raise funds of its own in competition with private business and with individuals, so in effect the price of borrowing money rises too. Recently we have seen interest rates flatten out slightly, with a small increase in lendable funds. We can also expect, now that the chartered banks have been allowed to charge higher interest rates, that there may be some increase in bank credit or the supply of money. This latter trend, which helps encourage business expansion by providing productive capacity, suddenly must come up against government competition for the same funds.

What does it mean? It means interest rates will tend to stay high. It means that bond prices tend to go soft and the corporation bond markets go soft. Here is what the Montreal *Gazette* reported on June 3, the day after the budget. The *Gazette* quotes a Montrealer as saying:

• (3:20 p.m.)

"We're bound to see the government do a fair amount of new financing this summer and fall."

Then there is this comment:

...and the feeling was that until the money market finds out what the government plans to do "we're walking on egg shells."

The federal government is competing with every businessman, with every manufacturer who wants to borrow money to modernize his plant and to expand and create new jobs, with every retailer who wants to borrow money to improve his store and expand his inventory and with every citizen who wants to borrow money to buy a new home or to send his children to college. This, I think, would be acceptable if it were necessary but the huge government spending is not necessary.

I have more respect for the minister than to think that he has casually brushed off any concern about where the money is coming from, although at times he seems to have given up hope in the wave of his colleagues' spend, spend, spend philosophy. For instance, at one point in his speech the minister warned that too many Canadians are trying to take whatever they can get. He goes on to say that some might say that government spending and taxation should be less but then tries to absolve himself by saying that the level of spending is in accordance with the views of this parliament and adds, I think a bit sadly, that "in any event this alternative is not open to us."

We just cannot spend like this without knowing where the money is coming from. I wonder whether the minister is aware of information about trends that he has not passed on to this house? Is the minister counting on a bonanza from Expo that might provide hundreds of millions of dollars in foreign exchange, which in turn could ease this country's need for United States funds? If this is so, we should be told. Does the minister expect, for example, some radical change in trends resulting from the United States auto pact which may greatly enhance this country's position? If he does, we should be told. Does the minister expect some bounty from a new wheat sale or some other transaction? If so, we should be told. Does the minister contemplate another budget in the fall in which he can raise taxes? If he does, we should be told. We have a right to know if the minister has a rabbit in his hat or a pigeon up his sleeve. If he has we want him to pull them out now.

Sir, my concern with the financial gyrations of this government is that it has a total disregard for the expenditure of the peoples' money. One would think it had gone out of style, and certainly the government's lack of concern is borne out by figures. True, the various ministers responsible for departments, including the Prime Minister, are responsible for having put forward their demands, but cannot the brake be applied? Can there be no slowing up along this line?

I would mention three examples that show a gross disregard for the peoples' dollar. First of all, I claim that the government has gone wild with building up new departments and as a consequence of that, with building up the civil service. Though certain new departments

have taken over parts of the staff of former departments, the original departments have grown to exceed their previous establishments. I have not hunted out all the instances where Parkinson's law has operated to a point where I am convinced that the citizens of Canada are being "had", but I would mention the Department of Trade and Commerce, which was to lose part of its staff to the Department of Industry, and the Department of Labour which was to lose part of its establishment to the Department of Manpower and Immigration. Both trade and commerce and labour are now larger than ever.

To show how this all mounts up to an ever-increasing charge on the Canadian taxpayer I wish to mention a few figures. Total civil salaries and wages for 1966-67 were estimated to be $1,087 million odd and the actual amount turned out to be $1,165 million odd. The actual figure was larger than the estimated figure by about $78 million. In 1966-67 the actual figure was $1,165 million odd, and in 1965-66 the actual figure was $1,018 million odd. In one year, therefore, the actual increase was $146 million. The 1967-68 estimated civil salaries and wages are $1,307 million. The 1966-67 actual figure, as I mentioned earlier, was $1,165 million odd, the estimated increase so far being over $142 million. I would imagine that when the final figures are available the increase over last year will be in the neighbourhood of $200 million.

In these two years the total payroll will have increased in the neighbourhood of $350 million and there will be some 25,000 additional employees. Many devoted civil servants, of course, are grossly underpaid but surely there comes a time to give some consideration to the people who are being taxed to pay these salaries and to pay for this tremendous escalation in the number of public servants.

I wish to mention also the estimates for the Canadian Broadcasting Corporation. The actual expenditure for 1966-67 was $114 million plus. The actual expenditure for 1965-66 was $99 million plus, the increase being $15 million plus. The estimated figure for 1967-68 is approximately $144 million. As I say, the actual 1966-67 figure was $114 million plus. The estimated increase for this current fiscal period is, therefore, $29,476,000 for the Canadian Broadcasting Corporation. The total increase for two years is roughly $44,500,000 or 44.5 per cent.

Over the years I have not been one of those members of parliament who have continuously belaboured the C.B.C. In fact, I was acting minister reporting to the house for some six months during the illness of the late Hon. George Nowlan. But I do ask, Mr. Speaker, where are we going? There just has to be a change of attitude on the part of the government toward this reckless spending.

Mr. Sharp: Would the hon. member permit a short question?

Mr. Monteith: Yes.

Mr. Sharp: I should be the last one to object to any lecture on the virtues of economy from the other side, but I should like to ask the hon. gentleman, for the sake of the record, to explain the basis of his suggestion that our expenditures will rise by 20 per cent this year. I can find nothing to justify that statement, either in the record or in what I have said.

• (3:30 p.m.)

Mr. Monteith: I arrived at that figure the other evening by comparing the estimates of the relevant years. I do not have my estimates book with me at this moment, but when I do I shall be pleased to prove the correctness of what I have said and place it on record subsequently. The estimates for this year are 20 per cent greater than the estimates for last year.

The third area about which I complain, among many others I might mention if time permitted, is the allotment for the Company of Young Canadians. This venture is the responsibility of the Prime Minister (Mr. Pearson) and I have heard rumours to the effect he now wishes he had never been gullible enough to fall for the gimmick. In its first year, 1965-66, expenditure on this project was approximately $45,000. In 1966-67 the actual expenditure was $1,208,000. It is proposed that in 1967-68 $2,445,000 should be spent. I realize that hon. gentlemen opposite will not consider $2.5 million worth worrying about in comparison with the over-all expenditures of this government. But, after all, this is the taxpayers' money, and an expenditure of this size should be weighed just as carefully as the increase of $115 million in the Department of National Defence.

What value are Canadian citizens getting for their money? The executive director indicates there are some 46 employees on the staff, of whom 26 are stationed in Ottawa and the remainder in five regional offices. The whimsical guess of the Prime Minister that there would be some 2,500 volunteers certainly never materialized. My understanding is

that as of the last report there were 66 volunteers. If this is so, the budget works out to over $37,000 per volunteer. I will not go into details about the discreditable conduct of some of these volunteers, which I understand went beyond mere peccadillos. Some of these people are undoubtedly well-meaning young Canadians. However, the facts are well known to all of us; they have been well publicized.

I simply say to the Prime Minister: Get rid of this monster of which in the past you have been so proud. Save the Canadian taxpayers' money or, better still, apply this $2.5 million to the cost of the 10,000 scholarships you promised to deserving students, an undertaking which has never been fulfilled.

I cannot but become exasperated with the government when they allow such unnecessary expenditures as those I have mentioned to continue unchecked until they become a burden on the taxpayer. I have given three examples. The minister has the effrontery to suggest that Canadians as a whole have been overspending. I call on him to practice what he preaches, to act as a minister of finance, not as a corporation president reporting a bad year to his shareholders. This budget not only accomplished nothing but it compounds the errors of the past.

I am not alone when I suggest there is something wrong about the minister's approach to the budget and to the financial and fiscal prospects before us. I wish to quote from several articles which will bear out what I have said and underline the serious consequences of this government's policies. First I should like to refer to an editorial in the Ottawa *Journal* of May 26 in which it was stated:

> What the country wants is an assurance that the government has devoted itself to economic planning. Specifically, a promise is wanted that the cost of living will not continue its monotonous march upwards. The government can no longer pretend that inflation is not hurting persons with fixed incomes. Further inflation will increase the price of exports in a world market where competition grows ever keener.

The writer of this editorial adds: "Surely, the minister can promise to put a rein on rising costs." What did the same newspaper say on Friday, June 2?

> Mr. Sharp's budget is anti-climax
>
> None has been more diligent than the minister in warning about the perils of inflation. These warnings are repeated with the utmost force in the budget speech delivered last night. But nothing is done to reduce the perils.

I should like to draw attention also to what Mr. Fraser Robertson had to say in the *Globe and Mail* on June 5. It is quite revealing.

> In the past several years, the public has acquired a good deal of experience in the methods of frenzied financiers and it therefore should have no great difficulty in recognizing the glibness of Finance Minister Sharp for what it is. In his budget speech, which is the equivalent of the annual report to shareholders from the president of a financial institution, the finance minister put up a bold front, yet he was unable to conceal the one important fact, that the nation's financial operations are out of control.
>
> The finance minister's efforts to explain away the frenzied state of the operations he is supposed to control also had a close resemblance to the excuses put forward by several of our more notorious recent bankrupts.

Later the article says:

> Even if a nation does not formally go into bankruptcy, mismanagement of its finances can ruin its citizens—
>
> The budget presented to parliament by the finance minister is undoubtedly the most inflationary budget ever brought down in Canada. The present government has achieved insolvency on both national and current account at a time when money is tight and is rapidly getting tighter and costlier.

Again:

> The assumption of the finance minister appears to be that since the government has been able to raise money as needed in the past, it will not encounter any difficulty in the future. Any such assumption must stem either from arrogance or from foolishness, neither of which is becoming a responsible minister.

And to conclude this series of quotations from Mr. Fraser Robertson's article:

> For an organization as confused as is the government, on the minister's own admission, it may be, indeed, that the best method of planing is to assume that nothing will work out as forecast. But for business and even for most individuals such uncertainty is the kiss of death.

• (3:40 p.m.)

The following article by Mr. Claude Ryan in *Le Devoir* is extremely interesting. This is an English translation.

> While Mr. Sharp preaches moderation to everyone, it is revealing to study the actions of the federal government....
>
> These proposals indicate that the federal government should itself take a serious cure of foresight and discipline. Without putting into jeopardy any of the basic programs urgently needed, one cannot help but worry about a certain free spending which continues to rule in several sectors of the federal administration.

The Canadian Chamber of Commerce wrote the Prime Minister under date of May 19 as follows, having compared our expenditures with United States averages:

> In the light of the foregoing developments, the executive council is most concerned that insuf-

ficient consideration is being given to the effects of high government expenditures and its concomitant high taxation on Canada's economic advance and its competitive position. The labelling of various government programs as "free" should be avoided and the cost to the taxpayer should be clearly spelled out at the time they are proposed.

We wish to express our deep concern to you and would welcome your assurance that the dangerous trend towards ever higher government expenditures will be fully recognized and arrested and that only essential government expenditures will be undertaken.

I wish to quote one paragraph from a report presented to the Canadian Manufacturers' Association ninety-sixth annual general meeting. This is the report of the vice-president and general manager, J. C. Whitelaw, Q.C. Referring to the growth of Canada's gross national product he stated:

As it turned out, almost half of the 10.9 per cent growth in Canada's gross national product last year was due to higher prices rather than to increased output. Excluding the effect of price changes, the real growth rate of the economy dropped to 5.9 per cent from 6.9 per cent in 1965.

I quote the following from the *Gazette* of Wednesday, May 31:

Representatives of industry attending the annual meeting of the Canadian Manufacturers' Association here are obviously disgruntled, even seriously disturbed, by the fiscal performance of governments in Canada. Their thinking on this issue has permeated most of the sessions....

The brunt of the manufacturers' arguments rested on the dwindling competitive advantages of businessmen in this country vis-à-vis foreign powers. In most cases, they found their rallying points in the escalating expenditures by the public sector, which leave no hope for tax relief in the finance minister's budget tomorrow night.

We all realize how true that was. The figures I am going to quote could be obtained from the public accounts but I take them from an article by Peter Newman in the Ottawa *Journal* of June 2. Referring to the present government he wrote:

Since it came into office, federal expenditures have risen by $3,115 million—from $6,585 million for the fiscal year ended March 31, 1963 to the $9,700 million for the next fiscal year in the current budget.

That is an increase of over 47 per cent in gross expenditures during a period of five years. Where are we going, Mr. Speaker?

An editorial in the *Gazette* of June 3 contained the following:

Though another contribution to inflation has been the massive increases in government spending, apparently little will be done to check this trend. The estimates for 1967-68 forecast the biggest spending program in Canada's history. Federal expenditures are growing this year almost twice as fast as the federal-provincial tax committee expected them to do. The very fact that the government, in a buoyant year, should find itself with a sizeable deficit should in itself be sufficient warning that spending is running ahead too fast.

I was most interested in a report that appeared in the Toronto *Star* of June 2 which referred to the minister's budget as a rejection of two extremes. However, it also contained the following paragraph:

Trade Minister Robert Winters, for example, told a Toronto Rotary club recently: "I'm a businessman at heart. I like balanced budgets."

This is another indication of some kind of division within the cabinet. Did the Minister of Trade and Commerce agree with the Minister of Finance on the budget he presented, or just what is the situation? I have here a press summary of a speech which the Minister of Trade and Commerce delivered at Saint John on June 1. It reads as follows:

Trade and Commerce Minister Robert Winters today expressed concern that while Canada's foreign sales were booming, Canadian-made products were losing ground at home.

I could not agree more with that statement and would add that textiles are probably losing the most. Textile manufacturers have just reason to fear the future. I have here a copy of the letter which they sent to the Minister of Finance. It is addressed to the Hon. Michael Sharpe, Ottawa; I presume that was an error. Anyway it sets out their predicament in detail. I wish I had time to read it all, but surely the minister realizes the seriousness of the situation with regard to the textile industry as a whole. However, he has done nothing about it.

A report in the Toronto *Star* of Friday, June 2 told how builders received the budget. It stated:

Metro builders are disappointed.

"Three cheers for nothing," said one spokesman, Harry Sadler, on hearing last night's federal budget did not include removal of the 11 per cent sales tax on building materials.

Such a move might have helped trim the cost of the average new home in metro by about $1,000.

Need I go further, Mr. Speaker? I think it is obvious what a disappointing budget this has been to all concerned in all walks of life. What then do we have? We have a monstrous budget deficit because of careless overspending with all of its evil effects upon the economy—higher prices, higher interest rates, tapering capital investment—because the minister has given up, bowing to the spending whims of his colleagues. We have a budget which means higher consumer prices, and offers no incentives for business and individuals to increase productivity. We have a budget which reveals that the minister has

given up trying to control or project the finances of the Canadian economy.

The minister admits that he does not know where the money is going to come from, and that he does not know the effects of the Kennedy round of tariff negotiations on the Canadian economy except that he expects they could be adverse toward certain Canadian industries. He admits that he does not know what will be the position of the government in respect of the Carter report. He admits that he does not know what will be the final result of the study by the federal-provincial committee on the fiscal structure. In his budget he admits that this government does not know how to give this country sound economic leadership. The finances of this country are out of hand. All this, of course, exists in the face of ever-increasing taxes imposed by this government.

• (3:50 p.m.)

Mr. Speaker, this house should be given an opportunity to express its disapproval of the gross mismanagement by the government of the financial and fiscal affairs of this Canada of ours. Consequently I move, seconded by the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard):

That all the words after "that" be struck out and the following substituted therefor:

This government has failed miserably to set an example of responsibility by its refusal to reduce taxation, by its reckless increase in governmental expenditures, thus contributing to the steadily rising cost of production to the great detriment of the Canadian economy and to the sharp increase in the cost of living, already over-burdensome to the Canadian people.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am rather at a loss to know how one can discuss a budget of this sort. In fact one is almost obliged to write a budget in order to afford an opportunity for criticism because this one has so little material content. We are told by the press, and we always believe the press, that there were 12,000 words in the speech given by the Minister of Finance (Mr. Sharp) to this house on Thursday night. It appeared to me that it was more in the nature of a sermon than an economic report. In fact I could almost see the minister in his Geneva gown standing in the pulpit, wagging his finger to the house and preaching the virtues of thrift and hard work.

I suppose one could say that the minister has shown his ability to care in a very efficient manner for the status quo, leaving it as it is. This is rather interesting at a time when the latest figures indicate there has been virtually no economic growth in the last 12 months. In fact what the minister really is telling us is that he is going to hold us steadily at dead centre.

In order to criticize this budget one really would have to write a new one. There are, however, one or two suggestions I might make to the minister of things he could have done. Unfortunately he prevented himself from doing one of them when he gave an undertaking that the recommendations of the Carter commission report regarding depletion allowances and tax exemption privileges for oil and mining companies would not be imposed, I believe he said, for five years. So he tied his hands on that score.

Mr. Sharp: Mr. Speaker, I am sure the hon. gentleman would not want to create a wrong impression. What I talked about was a three year exemption. I gave no indication of my attitude in respect of depletion allowances.

Mr. Cameron (Nanaimo-Cowichan-The Islands): You are perfectly right. I am lifted up, but my optimism fades when I read the 12,000 words and find there is no mention of following Mr. Carter's recommendations in respect of depletion allowances despite the fact that many economists have been commenting on them with approval and have suggested that they should be implemented, even though the government quite rightly is not prepared to deal with the report *in extenso* until it has had an opportunity to analyse it and present the white paper which the minister promised the committee on finance, trade and economic affairs.

There is another point which it seems to me the minister could have covered without waiting for a comprehensive tax review in accordance or otherwise with the Carter Commission report. He could have reduced the sales tax in a selective way to encourage investment in those sectors of the economy which I believe most of us consider should be stimulated. I see no reason for the minister not having considered reducing it in a selective way with regard to materials for housing because I am sure he, like all of us, is only too well aware of the housing crisis which exists in Canada. A simple way to at least break this crisis would have been to have instituted a system of rebates on materials used in the construction of housing. One might split it up still further and suggest this should have been done in respect of housing for those people who are at a certain economic level. These would be minor, if you like, but nevertheless quite important alterations in our

fiscal structure which might well have helped some of the people in our society who at the present time are suffering from the minister's rather careful and cautious approach.

Now, Mr. Speaker, I am planning to trespass perhaps on the indulgence of the house. I know I shall be in order but perhaps not quite proper when I suggest I do not intend to spend any more time on a 12,000-word sermon which really contained nothing but pious exhortation. Also at this time I am not prepared to write a budget for the minister, although obviously he needs someone to do it.

I should like to deal with a matter which may seem to be far removed from the budget but which I am sure is in the minds of all of us. If the government of Canada should follow the suggestions I will make—and I am convinced it will have to—it will have a very distinct effect on future budgets. I am referring, of course, to the tragic situation in the Middle East. I do not propose to discuss the outbreak of hostilities as such. There is nothing useful to be said in that regard; it is too tragic for any words I might have. Still less am I planning to assess blame to the two antagonists in this struggle. Even if it were possible to do so it would serve no useful purpose to enter into a debate concerning who struck first or second. The point is that they have reached this position at the present time.

I think it is time, however, that we began to assign the ultimate responsibility for this appalling situation. The tragic irony of the situation in the Middle East today is that the two peoples of the world who of all people have been persecuted, exploited, oppressed, victims of discrimination and of imperialism by the so-called Christian world of today are at each other's throats largely as a result of the machinations and broken pledges of the western civilization. On the one hand we have the Jews, dispersed and persecuted, discriminated against by virtually every country of the so-called Christian world, many of whom finally were consigned to the horrors of Belsen and Buchenwald. On the other hand, we have the Arabs, victims of the imperial colonial designs of half of Europe who were forced to dance to the degrading tune of their masters. Both are living indictments of the immorality, bigotry, greed and cynicism of our boasted western civilization. It is neither the Arabs nor the Jews who today stand in the dock but rather Christendom itself.

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

• (4:00 p.m.)

Memory tends to fade quite easily, and there will be many even in this house who are too young to remember those dark days when news began to seep out of nazi Germany revealing horrors that were almost unbelievable. At that time we did not believe the reports. We found it impossible to believe that man could sink so low as to inflict these horrors, these bestial atrocities on fellow human beings, but finally we had to believe it. There was no escape. We felt at that time that evil incarnate was abroad in the world threatening to destroy everything decent in human relations, threatening to destroy the frail citadel of humanity that mankind had been able to build with great difficulty in the long struggle from his brutish beginnings.

The nazis taught the world a sharp lesson with sickening clarity. They taught us the lesson of the depths of the abyss that lies under the thin veneer of civilization, the depths of evil to which man can sink. Sadly, the world did not learn that lesson, did not learn that the pathway of evil which led to Belsen, Buchenwald and Dachau started in the minds and hearts of otherwise decent men and women who tolerated and permitted injustices, indignities and humiliations, however seemingly trivial these injustices and humiliations appeared to be.

All across this country there are institutions with invisible but clearly legible signs which say, no Jews need apply.

Mr. Cowan: I like your sermon better.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I did not hear what the sapient member for York-Humber said.

An hon. Member: It was not complimentary.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I do not imagine it was. All across this country we have institutions and organizations which, as I say, not having the courage to print the words clearly, have these invisible signs which are all too legible to our citizens and say, no Jews need apply. Most of our decent citizens, and most Canadians are decent, are ashamed of this situation. We should be more than ashamed, we should be terrified, because this is the path that led to the horrors which overwhelmed the world 30 years ago.

I do not propose to recite the history of the beginnings of Israel. It is being rehashed today in all the papers and magazines by all the

political commentators. I may say I had some grave misgivings as to the wisdom of the establishment of the state of Israel, and in the light of events since perhaps those misgivings were not ill-founded. Nevertheless, I knew deep down in my heart that had I been a Jew 20 years ago I would have been in their ranks. I would have said to myself, after all these years, after all these centuries during which my people have been persecuted, humiliated and degraded, by God, the time has come when I am going to develop some place on this globe where I and my children can stand on our feet with dignity as befits human beings. Yes, I am quite sure that is the way I would have thought and acted.

Now we come to the ultimate tragedy of the Jewish people and the Jewish situation, and that is the price which had to be paid for the establishment of the state of Israel. There is always a price to be paid for anything achieved in this world, and all too often the bill is presented to the wrong people. When Israel was established as a direct result of endless years of persecution, humiliation and discrimination, at which all too many in the so-called Christian world blinked their eyes, the bill was presented not to the persecutors, not to the people who tolerated these unseemly and violent conditions, but to the other people, also Semitic, who also have been persecuted by our so-called western civilization.

An hon. Member: Turkey.

Mr. Cameron (Nanaimo-Cowichan-The Islands): The hon. member suggests it was Turkey, and he is quite right. We did very little about Turkey, and after that every European nation almost without fail moved in on the Arab peoples. Then, just after they had struggled out of the suffocating and degrading clutch of European colonialism we said to the Arabs, move over and make room for the victims of our bigotry, our cruelty, our colonialism and our cynicism.

While undoubtedly there were many Arabs who left voluntarily and while undoubtedly many of them may have been urged to do so, others nevertheless—this is an undeniable fact—were driven out of the country under conditions of savage brutality. Today they remain rotting away in full sight of the lands from which they were expelled or fled.

We are now told that it is part of Arab strategy to keep them there, and this may be so. Certainly as long as they are there they tend to keep the flames of Arab resentment burning high. I have to ask myself this question: What else could the Arab peoples do with them? These are poverty-stricken countries in the main, ill developed and with problems of their own. Can they be asked to absorb a million refugees? What would Canada do if we were suddenly asked tomorrow morning to admit a million Negro refugees from the southern states or a million people from the slums of London, Manchester or Liverpool? You and I know what we would do. We would say we could not do it, that it was impossible. Yet Canada is a fairly wealthy country and fairly well developed. We would do almost nothing. I might say that when we did have an opportunity to offer asylum to Jewish people fleeing from persecution we turned them from our doors.

Part of the tragedy of the human condition is that we can never go back and undo the crimes and follies of yesterday. We have to go on from where we are. I think in this regard, at a time when President Nasser's name is anathema in the ears of many people of the western world, a time when many papers have insulting cartoons of him appearing almost daily, I should put on record some references to correspondence I had with President Nasser of the U.A.R. after I had returned from Egypt and Israel.

I wrote President Nasser to tell him of my profound depression at the conditions I found in the Middle East, and about two peoples who so badly need each other wasting their resources on military solutions to their problems. I wrote very frankly to him. I told him that as an old man I knew the time comes in life when you have to accept facts, however unpalatable, and that the state of Israel is now a fact. I asked him whether he would not be better advised to move on from that point and seek an accommodation with the people of Israel.

It was probably an impertinence on the part of an insignificant member of parliament to write to the head of a state, a man moreover, no matter what some hon. members may think of him, who is a world figure today. I would not have been surprised, nor would I have blamed President Nasser, if he had ignored my letter. To my surprise, in about a month or six weeks I received a letter from President Nasser. It was a very simple letter written from one man to another with no suggestion of condescension or pretentiousness, in which he thanked me for having written so frankly to him.

• (4:10 p.m.)

Then he proceeded to discuss the problems that lay in the way of a Middle Eastern

settlement. First among those problems he placed the situation of the Arab refugees about which, as he said, the world has refused to concern itself. He suggested that until the world was prepared to concern itself about the fate of these people, a settlement would be impossible.

A cease fire is well enough but, as the Prime Minister said today, it is not enough. We have to go on from there. True enough, we must strive for it and bend every effort to get a cease fire because one thing is sure: no matter who may be the victor in the hostilities that have now broken out, the vanquished will be the workers of Israel and the fellahin of the Arab states.

Over ten years ago we did achieve a cease fire, and much of the credit for that must go to our present Prime Minister. We bought time ten and a half years ago, and we did nothing with it; we let it go down the drain. The problems that were there when we sought and gained that cease fire are there today. Those problems are the age-old ones of poverty, disease and ignorance and the bigotry and hatreds that these old enemies of mankind always bring in their train. No matter what the outcome of the present hostilities may be, the problems will remain to be coped with when the fighting ends.

The two peoples who have suffered so cruelly at the hands of so-called western civilization must be brought together, however difficult the process may be, in a program of massive economic development for the whole Middle Eastern area, which program the world as a whole must underwrite. It is not only a debt of restitution to these peoples, both Semitic, who have been the victims of our so-called superior western civilization, but it must also be in the form of an acknowledgement of the debt we owe to these two peoples.

The whole world is aware of the debt which western civilization owes to the Jewish people. Their contributions in the fields of science and the arts are known to us all. But all too often the debt we owe to the other victims of western civilization is forgotten. Seeing them now, struggling as they are out of the suffocating and stifling embrace of European colonialism, we tend to forget that when our ancestors in the Dark ages were sunk in the depts of superstition, ignorance and disease, the ancestors of these Arabs were pioneering in the fields of science, mathematics and medicine and it is on much of their work that western civilization has built the structure of which we are proud today.

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

So, Mr. Speaker, back again to the budget. Canada must take a lead in pressing this sort of program on the whole of the world. Once we can achieve a cease fire we must impress on every nation of the world, big and small, its responsibility to contribute to this type of program. In order that our position and demands may be credible, we in Canada must be prepared to make a substantial contribution ourselves. When that time comes, and I am sure all of us hope it comes soon, there will be no time for the sort of cautious, penny-pinching budgets we have been having of late. There will be no time for the careful balancing of accounts. We must be prepared to take some risks. We must be prepared to put it on the line and remember that the situation that causes us so much fear and trepidation today is the direct result of the callousness, bigotry, stupidity and ignorance which are still all too prevalent in our societies in the western world.

We have inherited a debt and now we must be prepared to pay. I would suggest that there are four or five concrete items which should be in any program that we may establish to pay this debt. The first one, of course, is the achievement of a cease fire. That is a must. But a cease fire alone will not be of much value to the world, any more than was the cease fire of 10 or 11 years ago, unless it leads to a genuine peace treaty between Israel and her Arab neighbours.

There must be a guarantee of the borders of all the nations of the Middle East, Israeli and Arab. There must be an agreement that the gulf of Aqaba is an international waterway and that access to it through the strait of Tiran must be available to all innocent shipping. There must be an immediate and generous settlement of the Arab refugee problem, without balancing accounts, without asking, "Why are they there?" They are there. It does not matter if they went there of their own accord or whether they were driven out—and there are those in both categories. The thing is, they are there, men, women and children, living in appalling conditions of utter degradation and misery.

Today when I read in the newspapers that the Israeli forces had captured Khan Yunis I remembered my visit to Khan Yunis. There I saw one of the most substantial contributions of Canadians to welfare which is to be found in the medical rehabilitation centre of Khan Yunis. They had just opened a rehydration

centre for refugee infants who come down with dysentry, of course, because of the appalling conditions of these camps. Their bodies become so dehydrated that they cannot absorb fluid in the normal way and have to be brought to the centre to have it fed to them through their noses, drop by drop. I thought of that today when I saw that Khan Yunis had been captured by the Israelis.

So to my mind the first thing we must have is a just and generous solution of the Arab refugee problem, without totting up accounts as to whose fault it is and whose fault it is not. They are there—men, women and children. If any member of this house thinks they have not been living in utter misery that is a disgrace to the world, I suggest that he go to the Gaza strip, if we can ever get there again.

Finally, we must seriously take a lead in a vast and massive economic program of development in the Middle East so that once and for all we can perhaps find some salvation, some solution for our guilt in the past in our treatment of these two peoples who today so tragically and in such desperation are flying at each other's throats in an attempt to solve the problems that we created for them.

We have had an amendment from the official opposition which speaks of the sharp increases in government expenditures. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the amendment be amended by deleting therefrom all the words between the word "taxation" and the words "the sharp increase" and by substituting therefor the following words:

"particularly its failure to revise the income tax structure so that a married couple with an annual income of $4,000 or less would not be subject to tax; its failure to remove the sales tax from building materials and supplies used in housing construction; and its failure to take any steps to deal with"

Mr. Knowles: Those are the words.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Yes, I see now that they are the words. They did not seem to make sense to me but I see now that they do. It makes as much sense as the Conservative amendment allowed us to make.

Mr. Knowles: A lot more.

Mr. Cameron (Nanaimo-Cowichan-The Islands): A lot more, perhaps.

• (4:20 p.m.)

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the centennial budget introduced by the Minister of Finance (Mr. Sharp) has not had the good fortune of pleasing too many people.

As usual, it was a disappointing budget, a budget through which so much was expected of the government and which, on the whole, has produced nothing concrete.

The night of the budget speech, we heard on television the comments of representatives of the various parties in this house and they were unanimous in their disappointment, except of course the member of the Administration (Mr. Chrétien) who lauded the benefits accruing from the budget to the Canadian people, when the minister announced the elimination of the 12 per cent tax on pills—I do not know if these are birth control pills—and of the 12 per cent tax on pills and drugs sold in Canada.

The only tax which the government dared to touch is one affecting the smallest number of Canadian citizens. When building materials are involved, an important area, the government is powerless. When additional amounts would have to be found, for instance, to meet the requests of the farmers, the government is unable to act. If an increase in family allowances is requested, the government cannot meet the request because there is an accumulated deficit; in fact, at the end of the present fiscal year, there will be an accumulated deficit of about $740 million.

That is why it is important for the minister not to reduce taxes, not to increase services and to remain at a standstill, except to remove the 12 per cent tax on drugs.

Mr. Speaker, the budget does not reduce either the servicing of the debt which will reach $1,234 million this year. We can afford to pay those interests on the national debt: $1,234 million. The defence budget will require $1,800 million. We can afford to pay that much for national defence, but to increase pensions, family allowances and to help Canada's poor, no funds are available.

And keep one thing in mind, Mr. Speaker. There is now a serious threat that the war between Israel and the Arab countries will develop into a world war. If both belligerents pay no attention to a resolution for a cease fire which the security council of the United Nations would pass, that will mean that Canada may be involved in a third world war. Then, the minister and the government will find the necessary money to take part in the war.

Mr. Speaker, before that takes place, I firmly state that we do not have the financial

means to take part in a third world war. We do not have the money now to face a war. If the financial system is unable to fight poverty and insecurity in Canada, it is certainly unable to finance our participation in a third world war. We will object to it very strongly, precisely for the reasons I just stated.

Some hon. Members: Hear, hear.

Mr. Caouette: Why did not the Minister of Finance and Receiver General advocate in his speech the creation of a bank for municipal affairs, for instance? Today, all our municipalities, whether in Quebec or in the other Canadian provinces, are burdened with debts they will never be able to repay. As a matter of fact, 50, 60 per cent of their budget are earmarked for the interest on their debt alone. Why not provide for the creation of a bank for municipal affairs to provide the municipalities with interest-free financing, as is done for some countries?

I am not saying that we must stop helping foreign countries which need help, no, but let us start by helping those who need help right here. But that is forgotten, there is no time for that. The minister does not say a word about that in his budget speech. He removes the 12 per cent tax on pills. War on poverty? The minister no longer mentions it. What will the minister do in a few months when he will meet the representatives of Canadian provinces at a new federal-provincial conference, where all the provinces will be asking Ottawa for more sources of income? What will the Minister of Finance and Receiver General answer to the provinces of Quebec and Ontario which are now receiving equalization payments.

The minister has no solution. There is nothing in his budget speech to take care of that. The minister merely states that to maintain the present prosperity, income tax should not be increased but that the tax on drugs should be removed or decreased because we will register a deficit of $740 million.

• (4:30 p.m.)

What is the solution? There is none. The Conservatives move and amendment to say that the government has failed. It is true. When the Conservatives were in power, the present government members were sitting in the opposition and saying: "The government has failed." It is true. My friends in the New Democratic Party say the same thing: "The government is a failure".

But what have the governments been doing since confederation, in the last 100 years, in the monetary field? Nothing. That is the whole problem. The whole problem is one of administration of the financial system, and yet, the government does not take that into account. Or rather, it takes it into account. Certainly. It removes the tax on pills.

Mr. Speaker, the creditistes have a solution which differs from that of the government. It is completely different, because the government's is not really a solution. The government flounders in a system which, instead of offering solutions, creates problems. So, we have this fine example where problems are created. And when the time comes to solve a given problem, another one is created.

To get rid of one debt, they run into more debt. What an intelligent system. It is a very intelligent system and, mainly, quite adapted to the needs of the Canadian people.

In the light of the recent budget of the Minister of Finance, we realize, once more, that the financial situation in Canada becomes increasingly complex and gloomy for Canadians as a whole.

That budget speech seems to me like a skating mini-performance in the present financial system which, in fact, does not solve anything—that is the reason why the Minister of Finance leaves the house—but creates problems. Besides, the response of the people to that budget has been one of apathy and some relief. Of apathy, because there is nothing in the budget to cause any enthusiasm. Even the Liberals are disappointed with that budget; my friend the hon. member for Champlain (Mr. Matte) is one of those. It is also a reaction of relief, because all Canadians feared new tax increases.

The minister announced that new taxes will come later, in the fall. According to the minister's statements, we notice that it is a mere postponement. In fact, a new mini-budget is forecast for the fall, when we will be told that the treasury inevitably has to be replenished. Then, it will be the other side of the financial picture which the minister dares not show us now.

Where is the Canadian economy going? Nobody knows. That is why the government, in my opinion, makes short-term plans, that is for a short space of time, a few months, two months, three months, six months perhaps, at most. Is this the way to govern a country?

I should like to say to the Minister of Finance, on behalf of the Ralliement Créditiste and my fellow citizens, that the Canadian people have the right to know where the economy of their country is going.

That hide-and-seek game and that error and trial approach advocated by the government does not forecast anything good, particularly in view of the very tense international situation which we experience at the present time. As a result of federal-provincial conferences which have been held for a few years, it seems that, according to the minister, provinces and municipalities will have to face yearly increases of expenditures of about 8½ per cent for the next five years. On the other hand, federal expenses would increase by 6½ per cent.

The minister said in this respect:

Confronted with our common need for increased revenues, it is natural that we and the provinces will find it hard to agree on the use of different tax fields.

Obviously, the fight will start all over as soon as the Minister of Finance meets the representatives of the Canadian provinces.

We must therefore expect new tax increases for the next five years.

Therefore, Mr. Speaker, the minister seems to say that it is normal, natural and in order that each government, federal, provincial and municipal should struggle to be the most exacting on Canadian taxpayers.

I find it amazing that, under the present system, a false system, no one should compete to be the most useful, the most helpful, to Canadian citizens and the greatest promoter of their freedom and security. But no, it is better to fight to overburden citizens throughout Canada with taxation.

I, with the members of the Ralliement Créditiste, am simply indignant to see how the public property, the Canadian money, is administered. The picture of peace in our North American economy is sad indeed. In peacetime, you find misery in the midst of plenty; in other words, we are living in an era of false affluence; it is a fleeting prosperity torn by strikes, price increases, a deceptive production stagnation in agriculture, with greater and greater budget deficits at the federal, provincial and municipal levels. At present, Canada is at peace, or to be more realistic, in a state of cold war. This is due to what is going on in Viet Nam, and now in Israel or the Middle East.

Now, the minister himself sees the disappointing productivity, increasing prices, more unemployment, a growing national debt burdening every Canadian citizen. The national deficit will reach $740 million, thereby increasing the interest we will have to pay next year. The interest will no longer be $1,234,000,000 then, but over one billion and a half, that is almost as much as the national defence budget which constitutes the biggest portion of our national budget. What a sad state of affairs we have in times of peace.

But come war, the whole picture changes. Productivity increases, strikes disappear, there is no more talk of unemployment, except as a thing of the past, and we are promised that things past will not repeat themselves.

The same happened during the 1939-45 war. When, during 10 years of crisis, our young people were unemployed, had no security, could not make an honest and honourable living in Canada, for the duration of the war, some went to lecture them in Europe by saying to them—it was hon. Mr. Ralston, then Minister of National Defence and our envoy to Europe: "Fight bravely, shed your blood for your country and when the time comes for you to return to Canda, if you ever come back, then you will no longer experience a depression, hardship or insecurity." That was the promise being made to our young people and, twenty years later, that is in the last three years, the government brings in budgets, saying that we must make war against poverty and hardship, in the midst of affluence in Canada.

What is the logic of our Canadian politicians? Are they anything but a gang of liars before the people and future generations. It is not surprising that our young people are rebels, separatists, independentists, members of the bulldog party in Toronto or elsewhere. Our young people have lost faith in our government institutions, and with good reason. Why? Because the government itself does not respect itself.

Mr. Latulippe: It respects only finance.

Mr. Caouette: Of course, that is the only thing which is respected. Everyone crawls before the financial system.

In wartime, productivity increases, there are no more strikes, mention is never made of unemployment. With the return of peace, the picture darkens again. As soon as peace has come back, we have misery in the midst of abundance. Does that mean that true prosperity must be attained by bloodshed of our fellow-citizens and our children?

The following question has remained without an answer from the minister of Finances: How is it that we are able to finance ourselves in wartime and not in peacetime?

How is it that we cannot help farmers more than we do in peacetime? But we can help them in wartime as long as we have gifts to make, either to England or to other European countries. We give them farm products.

Right now, the world is full of people who live in misery and for whom we could do something. Why cannot our farmers have the assurance that they will sell their production?

Mr. Choquette: Will you allow me to say one thing: wartime is an emergency.

Mr. Caouette: When the farmer is starving, is that not an emergency in Canada?

• (4:40 p.m.)

Mr. Choquette: Oh yes. This is an emergency situation. That is why they have $30 million more this year.

Here is the question I want to put to the hon. member: In wartime, we are facing a crisis, an emergency. Everybody is ready to make special efforts. Governments are not the only ones to blame. Individuals themselves are ready to work harder in wartime, because they are facing a crisis, whereas in peacetime—

Mr. Caouette: Mr. Speaker, I like the intervention of the hon. member for Lotbinière. His words are objective and he is right. In wartime, we unite our efforts to meet an emergency. If we were to do the same thing in peacetime, if the member for Lotbinière, for instance, joined the Ralliement Créditiste, to settle the problem of the Quebec farmers, I can assure you that the member for Lotbinière would have the admiration of his constituency.

Mr. Speaker, I realize an emergency exists, as the governments recognize the existence of poverty in Canada, one of the richest countries in the world. Mr. Speaker, this is an emergency, and I believe that the life of our citizens is an issue as urgent as the war issue which is leading them to a massacre on a world scale. I have greater trust in the life of people than in their death.

In wartime, productivity increases. Mr. Speaker, every province is now forescasting increased expenditures over last year—the Minister of Finance (Mr. Sharp) will have to face this problem—except the province of Quebec of course, which prefers tightening its belt for the time being.

But even if Quebec reduces its expenditures, it is clear that the government must face a deficit which cannot be met from the tax yield. The Quebec Hydro is now negotiating on the New York market for a new $50 million loan.

Is that not a sign that available funds on the home market are already getting rare, as usual? On the national scale, the same thing is happening.

If our industry were to find itself in the same position as last year, it is most likely that development would not proceed at the necessary pace. In that case, greater public expenditures and slower production of goods could only lead to inflation, at a time when everything should be done to contain it. If we want to maintain our position in international trade and allow each individual in Canada to live decently, in security and in freedom, we must urgently reform our financial system.

Every year, Canadian municipalities show a greater deficit and mounting interests. The school boards are all in a very bad way financially: every year they have a greater deficit and must pay more interest.

Who pays for all those deficits? The Canadian citizen. The taxpayers are the ones who pay for the inflation brought about by the government. The government creates inflation and the Canadian people pay for it.

There have been hundreds of strikes in Canada. But, although it is only normal that workers should try to improve their lot, the situation has in no way improved. No strike in Canada has ever provided a solution to the labour problem. The workers are urged to rebel by their leaders, but this produces no solution to their problem. In fact, nothing is changed, except that the cost of living continues to rise. Therefore, we do not have more money in our pocket after a strike, but even less. We should all realize this, and I should like to see someone prove me wrong.

Mr. Speaker, I put this question to the Minister of Finance. Is the present banking system not a debt creating system—as he well knows—under which the total debt will never be paid, not even in part, if we are to keep on developing our natural resources at all? It is not by creating further debts through loans that we will be able to repay our present debts. Yet, that is the solution offered by the government: in order to repay bonds issued fifty years ago, let us borrow in 1967 to repay the debt and interests. Normally, we pay the interests and the debt is transferred to the national accumulated debt of Canada.

The main deficiency of the present system is that having been created during a period of scarcity, it is inadequate in times of prosperity. That is why Canadians are living in poverty amidst riches.

Mr. Speaker, as everybody knows, the production problem in Canada is not for the farmer nor the factory nor the manufacturer. The only problem is that of distribution of goods and services for human needs, that is for the Canadian consumer. This is the only solution to the problem which, as members of parliament, we must strive to solve without party considerations.

Mr. Speaker, is the present system the solution to a problem of its own creation? Certainly not. It creates problems instead of solving them. It is up to the minister to answer or deny this. The federal government has no funds to help the farmers. The other day, 20,000 farmers came to parliament hill, hoping to go back home with something. But they went home empty-handed, with a mere promise that their case would be studied again by June 10, those people who still had high hopes where there was no hope left. It was in this very house that we heard the member for Nicolet-Yamaska (Mr. Coté) say this: the Quebec farmers are coming here to congratulate the government, not to ask for something, just to congratulate the government. We have seen the kind of congratulations the members of the cabinet got in front of the centre block. The Minister of Forestry and Rural Development (Mr. Sauvé) could not even finish his speech to the 20,000 farmers jammed on parliament hill.

The hon. member for Lotbinière (Mr. Choquette) was not too vocal either on that day, before the 20,000 farmers who assembled on parliament hill.

Mr. Choquette: Mr. Speaker, I rise on a point of order. I doubt that the hon. member for Villeneuve interpreted correctly the words of the hon. member for Nicolet-Yamaska (Mr. Côté). In all fairness for the latter, one should say that he did not interpret the farmers' march on parliament as a message of congratulations, but that he simply stated the people should not play politics with the farmers' march, which is what our hon. friend for Villeneuve has been doing, that is he has interpreted the farmers' march from a Créditiste point of view, which is not correct.

Mr. Caouette: Mr. Speaker, I had before me the text of the hon. member for Nicolet-Yamaska, but I do not have it any more. However, his statement amounted to this: The farmers are not coming here to blame the government; they are coming to thank the government for what it has done for them.

If the hon. member wishes to find the speech of the hon. member for Nicolet-Yamaska, I am ready to let him know where the speech is recorded. He said, what the hon. member for Lotbinière has just mentioned, but be added that the farmers came to thank the government. This remark is contained in the speech that he made to second the address in reply to the speech from the throne.

Therefore, Mr. Speaker, the situation can be summed up as follows: the government does not have money for the labour of peace. But it has always plenty for the labour of war, for blood and destruction. The present system is unfair and illogical, and those who promote such a system by voting in its favour or by abstaining from voting are accomplices.

We have just witnessed four by-elections in Quebec and one in Ontario. Thousands of people are so disappointed with politics that they do not even care to vote any more.

Mr. Speaker, for the information of the hon. member for Lotbinière, I just found the statement made by the hon. member for Nicolet-Yamaska where he said, as can be seen on page 28 of the May 9 *Hansard*:

> 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.

This is the word-for-word statement made by the hon. member for Nicolet-Yamaska. Now, the hon. member for Lotbinière must have realized, in front of the parliament buildings, that the farmers did not necessarily come in order to support the government. On the contrary, they came to claim something from the government, which is not exactly the same thing.

Mr. Choquette: Mr. Speaker, there is a group of farmers that really came to support the government, namely to guide the policy of this government.

Mr. Caouette: Those who came from my constituency.

Mr. Choquette: Now, there were many Créditiste organizers, and I saw many of them.

Mr. Caouette: They wanted $5.10 per hundredweight for manufacturing milk.

[*English*]

Mr. Deputy Speaker: Order, please. I point out to the hon. member that the hon. member for Villeneuve has the floor. He may not be interrupted except to be asked a question.

• (4:50 p.m.)

[*Translation*]

Mr. Caouette: Mr. Speaker, I merely wanted to dot the i's and prove to the hon. member for Lotbinière (Mr. Choquette) that what I said was true, that it really happened that way.

Now, I was speaking of the by-elections we have just had in the province of Quebec. In the riding of Hull, out of 44,000 voters, only 22,000 took advantage of their right to vote. Half the people stayed home in that riding. In Montreal, barely 20 to 22 per cent voted; 80 per cent stayed home. Is it that the people are pleased with the government? No. The people have had enough of politics, they will not have anything more to do with it. And, in the riding of Hull—

Mr. Matte: They should have voted Créditiste.

Mr. Caouette: I understand. The hon. member for Champlain says they should have voted Créditiste.

In the riding of Hull, we had as candidate René Villeneuve, a school principal; and the member for Champlain knows full well that Villeneuve was the best candidate in that riding, regardless of the fact that he was the candidate for the Social Credit party. He got almost 9,000 votes, that is more than in 1965, while the Liberals lost ground in all four ridings, and were beaten in Sudbury. The hon. Minister of Manpower and Immigration (Mr. Marchand) said the other night on television, "The people are in favour of the Liberals." "The people voted liberal". Ah, come on. The people stayed home, they did not vote. In Hull, a Liberal riding for 75 years, the candidate elected got only three thousand some hundred votes majority while the Liberal majority in 1965 was over 9,000 votes. The electors who did not vote thought they were doing well, but they lost a wonderful opportunity of giving themselves a representative who would fight against the system, instead of the men.

I have nothing personal against Pierre Caron, who was elected in the Hull riding. He is one who deserves respect. He is a young man; he has qualities and I will never belittle him as a citizen. But, as far as the system is concerned, I assure you that I will not go for that easily.

The same applies in the case of the Liberal candidate elected in Richelieu-Verchères—people did not take the trouble of going out to vote. At any rate, those people certainly did not approve of the present situation, for it can lead nowhere but an increased national debt and ever-increasing difficulties to live decently in a country which, after all, is bursting with natural resources.

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

Mr. Caouette: Yes.

Mr. Lachance: What does the hon. member have to say about the 25 per cent only of the population who voted in the last municipal election in Montreal? Does it mean that the people were not satisfied with Mayor Drapeau of Montreal?

Mr. Caouette: No, no. But there you say: "People were not satisfied". Well it is the irresponsible people that remained at home, those who are not conscious of their responsibilities, those who are too lazy to get up and go. And there are thousands of them in the city of Montreal. I am going to arrange for a meeting and I shall tell them so at their own face, too. That is the city of Montreal! You wanted to know what I think of it, that is it. They are too callous, they lack the courage to stand up and vote for someone or against someone. If they were satisfied with Mayor Drapeau, they should have gone to tell him: "We are pleased with you, Mr. Drapeau."

[*English*]

Mr. Deputy Speaker: Order. I must advise the hon. member for Villeneuve that the time allotted to him has expired.

Some hon. Members: Agreed.

[*Translation*]

Mr. Caouette: I only need about two minutes. Thank you.

Mr. Speaker, I wish to thank very sincerely my hon. friends in the house for allowing me to continue my remarks, I shall not take very long.

[*English*]

Mr. Deputy Speaker: Does the hon. member for Villeneuve wish to continue?

[*Translation*]

Mr. Caouette: Yes, Mr. Speaker.

[*English*]

Mr. Deputy Speaker: Does the house give unanimous consent for the hon. member to continue his speech?

Some hon. Members: Agreed.

[*Translation*]

Mr. Caouette: Thank you Mr. Speaker.

We can hold different views and yet remain sociable, as the hon. members are proving now. I will do the same thing in return.

Mr. Speaker, what the Canadian people have been expecting for more than a hundred years, is an efficient, up-to-date government, a government that is adaptable and does not fear to go out and get the tools required to give economic, political and social security to every citizen.

It is my distinct and clear impression that every member holds the view that we should have an aggressive government, a government which is not afraid to take decisions or to face the current evolution. Instead of maintaining the status quo, of holding back, of marking time, let us go ahead when it is time to do so. Let us take the means and build the tools to do the job. It would not be honest for me to say that I reject everything in the present system. Far from it, but I submit that the present administration is not dealing with the real problem. I have said it several times, the government is not dealing with the major problem that now impairs every measure it is recommending or thinking of initiating.

In his budget speech, the minister said:

> 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.

It is clear, is it not? Without underrating those initiatives, it is obvious that those solutions to the present problem are simply patchwork measures in an effort to remedy the worse. Nevertheless, they remain only poultices on wooden legs and do not solve the problem.

But of all those pieces of legislation, not one is intended to make our national economy a modern, efficient, flourishing and balanced economy. Is the problem of cyclical crises such as inflation cured and avoided? Absolutely not. Everyone knows that.

All those measures which the government introduced in the house have not solved the problem, since the minister, in his present budget, warns the Canadian people against the dangers threatening them. That is not new. It is the repetition of what we were told five, ten, even fifteen years ago. I remember that twenty years ago, the hon. Mr. Abbott, who was then minister of finance and who is now puisne judge of the Supreme Court of Canada, made the same speech or a similar one to that which we heard the other day. Now, that proves that the measures passed by this house were simply temporary, incomplete and inefficient.

Therefore, I ask the minister to explain, for the benefit of all Canadians who are deeply concerned at the present time, how he intends in peace time, to make our economy flourishing, productive, fair, balanced, free of disastrous cyclical crises such as inflation or hardship within affluence.

The creditistes are not not the only ones to contend that and I take the liberty, before concluding my remarks, to quote the comments made by Marcel Pépin, a newspaperman of *Le Droit* of Ottawa, in the issue of June 2 last:

> If the Minister of Finance advocates, for all practical purposes, a policy of moderate wage increases, he still refuses to set up a policy for the maintenance of prices and the control of profits, so that his budget speech is nothing but a speech, an exhortation.
>
> Well equipped with documents and data supplied by the officials of the Department of Finance, Mr. Sharp was able to utter his fears concerning an economic distortion in 1967, but fettered as he is by the capitalist character of the government of which he is a member, he merely submitted an exhortation on present conditions.

I understand that Mr. Pepin would like to see a policy of price and salary control, in short, the control of the entire Canadian economy, but the creditistes do not advocate such a controlled economy. On the contrary, they advocate that the way to restore the balance between production and the consumers' purchasing power in Canada, is to distribute to every Canadian citizen a sum called a national dividend based on the difference between Canadian production and the national income, at the present level, thus creating neither inflation nor deflation but restoring the balance between the purchasing power of consumers and Canadian production. Such is the solution of creditistes.

The Budget—Mr. Caouette

• (5:00 p.m.)

Mr. Speaker, on page 38 of his budget speech, the minister says in his distinctive evasive style:

> The economy is in a state of approximate balance—

Approximate balance! There is but a small gap of $740 million.

> —during a period of readjustment, cooling off somewhat from the overheated condition of last year.

He goes on in that marvelous phraseology by saying:

> The modest prospective deficit in the federal budget in terms of our national economic accounts will be a moderate sustaining force this year.

There you have all that is needed to stage the nicest parody of the century. Approximate balance, does that mean real imbalance? When one speaks of an approximate balance, it is because one is not sure. Then imbalance exists and that is what we are now experiencing. The Canadian people would certainly like to hear about it, but from the minister himself. A small deficit! On the traditional basis of public accounts, the deficit stood at $428 million last year, and this year, having increased, it will reach $740 million by next fall.

The least that can be said is that it is not a mini-deficit but rather a very sizeable one that weighs heavily on the shoulders of every Canadian taxpayer, not to mention the fact that the national debt carries interest.

In 1965-66, this interest was $1,077 million. It rose to $1,159 milion in 1966-67, and to $1,237 million—not $234 million—in 1967-68. That is just the interest on the national debt.

All this, Mr. Speaker, leads me to the conclusion that we could have 25 years of budget speeches such as the one made by the present Minister of Finance without a solution to the problem being found.

Canadians want positive action. They want to live decently in a country which they are ready to build, and I am sure that hon. members and the ministers all want Canada to develop and grow.

Today, it is the financial system which impedes development and stumps growth because it always forces us to pay two or three times for what we get.

To build a school, we borrow. When the time comes to pay for it, two of them have been paid for, one for finance, one for us.

[Mr. Caouette.]

Whenever a road is built, one is paid to finance, and one is for us. The same thing goes for hospitals; one is paid for finance and one is for us.

If we have to pay back twice, how can we develop a country like ours? Mr. Speaker, I call on the Minister of Finance, on the Member of the Administration who is still his financial advisor, and on all the ministers to think about the situation and to start giving serious consideration to the possibility of amending our financial system so that it would serve Canada, our institutions.

When the financial system really reflects what we are truly doing in Canada, what our population is paying in Canada, then, Mr. Speaker, I am sure we will not have to fight poverty but that we will be able to guarantee to each and every Canadian, economic security and personal freedom.

(*English*)

Mr. Deputy Speaker: Order. There is a subamendment moved by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron). Possibly the hon. member for Medicine Hat would permit me to read it now and then he could proceed with his remarks. It is moved by Mr. Cameron, seconded by Mr. Knowles:

> That the amendment be amended by deleting therefrom all the words between the word 'taxation" and the words "the sharp increase" and by substituting therefor the following words:
>
> "particularly its failure to revise the income tax structure so that a married couple with an annual income of $4,000 or less would not be subject to tax; its failure to remove the sales tax from building materials and supplies used in housing construction; and its failure to take any steps to deal with"

The Chair considers that the subamendment is in order.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, the hon. member for Perth (Mr. Monteith) speaking on behalf of the official opposition, called the budget a bad budget and used a number of other adjectives to describe it. He was followed by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron), speaking on behalf of the New Democratic party, who called it no budget at all. Then we had the hon. member for Villeneuve (Mr. Caouette) pointing out some failures, in his opinion, with respect to financial matters.

If it is no budget at all there is very little left for me to say and perhaps I will have to do what the hon. member for Nanaimo-Cowichan-The Islands suggested, produce a

budget in my speech. I am going to do that, Mr. Speaker, or at least partially deal with some matters, but not until I have said a word or two about the amendment and the subamendment that have been moved. I wonder whether the hon. member for Perth and the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) who moved and seconded the amendment did so with tongue in cheek because the amendment says:

> This government has failed miserably to set an example of responsibility by its refusal to reduce taxation, by its reckless increase in governmental expenditures—

I also wonder whether the hon. member for Nanaimo-Cowichan-The Islands and the hon. member for Winnipeg North Centre (Mr. Knowles), who moved and seconded the subamendment, did so with tongue in cheek when they subscribed to most of the amendment and injected some specific ways in which taxes ought to be reduced.

Mr. Knowles: We cut out a lot.

Mr. Olson: I know what you cut out and I know what is left. You cut out the reference to "an example of responsibility by its refusal to reduce taxation," etc. and added something else. The reason I mention this at this time is that I cannot take the amendment and subamendment seriously because every time last session that there was a proposal before the house to increase federal expeditures the spokesmen for both those parties not only endorsed those expenditures but almost invariably said, "It is not enough; there should be more." To be kind, I think their attitude is just a little hypocritical and I do not think we can take amendments of this kind seriously after the performances we have seen.

Turning now to the minister's speech I would like to ask him to give us some good reasons why he brought in the budget at this time because amendments to income and corporation taxes apparently must await further study of the report of the Carter royal commission. That study has been going on for almost six years. Surely the minister is not prepared to admit that he, his advisers and his party are so bankrupt of ideas for overhauling the tax structure of Canada that they could not at least have brought in something in the budget to make a start on overhauling the tax structure.

The minister also said that all tariff changes will await further study and consideration of the Kennedy round of trade negotiations. I can agree with him that some additional time may be required to consider the results of that round of negotiations which concluded recently. But I return to the original question. Why bring in a budget which in essence says we are going to postpone tax amendments and tariff changes? Even one of the two tax changes that the budget did introduce, the removal of the sales tax on drugs, will not take effect until September 1, three months from now.

In presenting this budget I think the minister has left the Canadian economy and Canadian business in an even more uncertain position than before it was introduced. The minister has told the country that there is a future possibility of a large number of income tax changes. However, he did not say when they would be introduced. Will certain kinds of business enterprises be postponed waiting for these changes? These changes may deal with capital costs and may deal with income tax rates, both personal and corporate. As a result there is much more uncertainty than prevailed before the budget speech was made. Other than the tradition of introducing a budget once a year I cannot see any reason why the minister introduced this kind of budget.

Mr. Knowles: It wasn't a budget; it was a sermon.

Mr. Olson: I agree it was a sermon or lecture, whichever you like to call it, but along with that the minister should have made specific proposals or should have waited until he was ready to make such proposals. I should now like to turn to another subject for a moment.

• (5:10 p.m.)

Mr. Sharp: Mr. Speaker, I was just going to ask the hon. member whether he liked my sermon or the sermon of the hon. member for Nanaimo-Cowichan-The Islands.

Mr. Olson: Mr. Speaker, I was about to deal with that. As a matter of fact I liked both sermons, but I am also in some disagreement with both. Concerning the sermon delivered by the hon. member for Nanaimo-Cowichan-The Islands respecting the persecution, discrimination and other inhuman treatment meted out to the Jews and Arabs over the generations, I should like to say that I was to a large measure in agreement with what he said in so far as the history of the matter is concerned. I must say, however, that I was also a little disturbed by his conclusion and where he laid the blame for the perpetuation of this problem, because I heard him say

several times that the whole responsibility for the present dispute in the Middle East and for the hatred and so on which have been built up can be and should be laid at the door of Christendom and the western civilization.

I am not attempting to exonerate Christendom and the western civilization from their fair share of the responsibility, in whatever context one wishes to put it, but I should like to say this and give an example. I sat in the United Nations general assembly last fall when voluntary contributions were being received for the United Nations refugee commissioner. There was, I believe, a request for $30 million for the refugee fund, most of which is used for the Palestine refugees in the Gaza strip and other camps in the Middle East. There are other places where it is used but a very large percentage is used for the relief of the refugees there. Out of the $30 million, $22 million was volunteered by the United States of America. I am not sure of the exact amount but somewhere between $1.3 million and $1.5 million was volunteered by Canada. The balance of the $30 million was volunteered by such countries as the United Kingdom, Scandinavia, and so on. Not one cent was volunteered by any socialist country in eastern Europe.

I do not wish to pour salt on sore wounds, but the hon. member for Nanaimo-Cowichan-The Islands repeatedly stated that the whole problem of the refugees and the difficulties which arise from that problem should be laid at the door of western civilization and Christendom. I think it is well for us to be reminded once in a while of the facts before we swallow this kind of conclusion, notwithstanding the fact that we can recognize the problem as he pointed it out.

We are faced with a prospective of some $740 million in this fiscal year. I am not opposed to the government increasing expenditures when authorized by a vote or there is agreement in the house that this is what we should do. But I believe the Canadian public and the Canadian taxpayers, who ultimately must pay for all these expenditures, should be presented with the bill for these so-called acceptable expenditures as soon as possible after they are made.

All that a deficit does in any fiscal year is to postpone, sometimes briefly and sometimes a little longer, the day of reckoning, the day when the taxpayer must face up to the fact that these expenditures have been made by parliament. Therefore I suggest to the minister, although it may not have been politically wise at that point and may have been an unpleasant task, that consequent upon the request for legislation and the expenditures which were passed by the house he should have brought in a budget as soon as possible after the legislation was passed so that the taxpayers would have been presented with the bill. I say that because the relationship between the so-called expenditures and the obligation to pay the price is lost if it is postponed.

Further, we disagree that there should be a large deficit at this time. If there is any time in Canadian economic history when we ought to be at least balancing the budget, if not budgeting for a surplus to pay off some of the past indebtedness, surely it is in a time when economic conditions are reasonably buoyant. I do not believe that conditions will get a great deal better than they are in this fiscal year 1967-68. If we cannot meet our expenses in this kind of a situation, when in heaven's name will we be able to?

I should like to turn now to another subject, the matter of how the minister will raise these cash requirements. The Minister of Finance has suggested that his net additional cash requirement for this fiscal year will be $1,520 million, some of which will be used for Central Mortgage and Housing Corporation, some of which will be used for the Farm Credit Corporation, and some of which will be used for loans to governments and to pay the deficit.

If we are to be faced with this kind of deficit or national debt in Canada, I would certainly hope that the minister will expand a practice which has been started. I hope he will obtain a larger share of that money from the Bank of Canada. In a discussion earlier this year we heard the minister say in the house that the Bank of Canada over the last five years has been expanding the amount of the money supply on an average of about $200 million per year. I commend him and the other persons responsible for this. However, in a year when we are faced with a requirement for $1,520 million in additional net cash, I suggest that an amount of $200 million coming from the Bank of Canada is an insufficient proportion.

We could become involved in a long argument about how much the money supply will increase during this fiscal year. I am sure the Minister of Finance will agree with me when I say it is not unusual to see a greater increase in the money supply in those years when the government budgets for a deficit

than there is in other years. It seems to me that this is an opportune time for the minister and the governor of the Bank of Canada to assume the attitude that a much larger proportion of the money to be supplied should be supplied by the Bank of Canada in this fiscal year.

Mr. Sharp: May I ask the hon. member whether he does not agree that one of the main considerations which must weigh with the monetary authorities is the relationship in respect of the interest rate as between Canada and the United States, particularly with regard to long-term bonds.

Mr. Olson: I do not disagree with that at all. I know there are many other considerations which must be taken into account with regard to the amount of the increase in the money supply and where it comes from. I am not disagreeing with that. I am just suggesting that if $200 million per year as an average over the last five years, as I believe the minister stated in the house in February, was an appropriate amount when the deficit of the federal government was much smaller than is budgeted for now, a larger share of the fiscal requirements of the federal government could be and should be supplied by the Bank of Canada.

• (5:20 p.m.)

I do not want to go over a lot of the history of the fiscal dealings of the Bank of Canada because I did so in February when the revisions to the Bank of Canada were before the house. However, I should like to put on record one of the examples I have in mind, and I have many of them in front of me. On November 28, 1966, the government of Canada announced a $500 million bond issue. The Bank of Canada picked up $250 million of that $500 million. Some of that money was raised to redeem an issue that was maturing part of which the Bank of Canada held, so in effect they were partially replacing a maturing issue with a new issue. However, it seems to me that this is a good example.

For a great number of years the policy of this party has been that the total requirements of the federal government in certain areas of expenditure should be met by the Bank of Canada to the extent that it is in keeping with sound monetary policy, bearing in mind inflation and that sort of thing. Let me appeal to the minister to take this fact into consideration, because the results are that the greater the amount the Bank of Canada holds of federal government indebtedness, the greater the amount the Bank of Canada turns over to the federal treasury at the end of their fiscal year.

This amount has been increasing substantially in the past few years. I have before me the report of the Bank of Canada for 1966 which shows that for that year it turned over net income to the Receiver General of Canada in the amount of $150,585,000, which was substantially more than the year before. The more Canadian government bonds that are purchased and held by the Bank of Canada, the more interest accumulates and the higher will be the return to the minister and to the treasury of Canada. I hope that the minister and the governor of the Bank of Canada will give serious consideration to the bank picking up a larger portion of whatever is the amount of a prudent increase in the money supply for this fiscal year.

Let me now turn to another matter, the old age security fund. The minister stated that the surplus in this fund would be increased by $109 million and that this will be added to the $430 million now in the account. Thus at the end of this fiscal year, if all projections are accurate, there will be a surplus of some $530 million to $540 million in the old age security fund.

When the mini-budget was brought forward last fall there was not that kind of explanation given which I think we require at this time. The situation now requires a great deal more explanation. When the mini-budget was presented we were told that the revenue resulting from the increase in income and other taxes to be apportioned to the old age security fund was only sufficient to meet the increased payments as a result of the guaranteed income supplement. It now appears that the fund is increasing rather rapidly. I suppose there is the possibility that following each year during which the age is dropped from 67 to 66 and eventually to 65, there will be a greater number of citizens receiving old age security and this will no doubt increase the expenditures from the fund. If that is the complete explanation, it was not made clear to the house.

If I recall clearly the minister's responses to questions, he suggested that the additional taxes resulting from the mini-budget would only be sufficient to cover expenditures for old age security purposes. This fund went up some $200 million this year and we now have a projection of $109 million more. When will we reach the stage when the revenue is balanced with the expenditures from this fund?

I hope the minister will keep this question in mind because it does seem to me to be a bit of a disservice to the senior citizen recipients of old age security to blame them for the total amount of the increase in taxes at a time when there is and continues to be a surplus building up in this fund.

I should now like to talk for a few minutes about the proposals in the budget regarding the price of drugs. The minister has said that effective September 1 the sales tax on all drugs, both for human and animal use, will be withdrawn. I noted with interest and appreciation that the Minister of Finance also said that he believed some of the other regulations which the government was now prepared to change respecting duties on importations would probably have at least as great or perhaps a greater effect on the retail price of drugs than the withdrawal of the sales tax.

We need an additional explanation, because I searched the budget speech in vain to find out what the Minister of Finance or the government intends to do about such things as the licences respecting the patent rights and importing of medicines or drugs. This has a very important effect on the price of drugs today. He did say something would be done with regard to the tariff schedules on drugs. The first recommendation made by the province of Alberta to the standing committee on drug costs and prices was:

> Compulsory licences to import should be granted, subject to the payment of reasonable royalities. These licences should provide for the importation of semi-finished and finished dosage forms as well as bulk drugs.

We know there has been a sustaining feature in the price of drugs as a result of these acclaimed patent rights. We look forward to hearing not only from the Minister of Finance but his colleagues as well about what they intend to do regarding the regulations and the duty which must be paid on these drugs as they come across the border. I see the Minister of National Health and Welfare (Mr. MacEachen) in the house. Perhaps he already knows what the government's intentions in this respect are. I certainly hope he will not keep the house and the people of Canada waiting too long for these proposals.

The last matter I want to deal with is one which could properly be brought before the house during the consideration of the estimates of the Department of Transport. I realize that they have already been before the house for three or four days and it is highly unlikely, if the estimates of other departments are to be considered for a reasonable length of time, that the estimates of the Department of Transport will come before the committee of supply again. That is why it is necessary that I raise the matter at this time.

• (5:30 p.m.)

I refer to the subvention that will be paid by the federal government for the transportation of coal from the Crowsnest pass area of Alberta and British Columbia to the west coast. I raise the matter at this time, and I think quite properly so, because the Minister of Transport (Mr. Pickersgill) said in the house on January 23 last, when the new transportation bill was being discussed, in response to a question I asked him:

> I would think that in any case where there was a possibility of a subsidy any government would be guilty of negligence in not being represented in order to see that as far as possible all the costs that were alleged by a carrier, whoever he might be, were properly checked and audited.

I do not have time to read all the quotations where the Minister of Transport outlined time and again that the first duty of the new transportation commission would be to establish the variable costs of moving any commodity. He repeated time and again that the Minister of Finance, the Minister of Transport and others would be remiss in their duty if they did not firmly establish what the variable costs of moving coal or any other commodity would be if there was any possibility of a subsidy being paid out of the federal treasury. We have not had an inquiry. We have not had a public hearing to establish the variable costs that the railways will be allowed for moving any commodity.

The reason this question is so important in my view is that I believe the Canadian Pacific Railway is doing a great injustice to the coal mining operations in the Crowsnest, as well as to the Canadian treasury, by demanding $5.28 a ton to move the coal. The Great Northern Railway in the northern United States has offered to carry it for $4 a ton. A group representing the coal mining interests in the Crowsnest pass went to the trouble of having a competent firm of cost accountants look into the matter and try to establish, on the information they had, what would be the variable costs of moving this coal. As appears at page 2162 of the Minutes of Proceedings and Evidence of the standing committee on transport and communications, October 31, 1966, Mr. Dutton who was speaking on their behalf said:

> Our organization, R. L. Banks and Associates, made a cost study for the Coal Operators Association of Western Canada in which we estimated as

closely as we could the variable cost of the transportation of coal from the three member mines to Port Moody for export. In the case of Coleman, which is one of the mines, our calculation worked out the variable cost at $2.80 per ton, which is the figure on the first line on page 8.

Then he said—

Mr. Speaker: Order. I have to interrupt the hon. member as his time has expired.

Mr. Olson: I wonder whether I could just finish this point, Mr. Speaker. It is the last point with which I wish to deal. I would ask the indulgence of the house to allow me to finish.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Olson: I should like to thank the house for giving me the opportunity to finish my remarks. Mr. Dutton continued:

Now, the $5.28 a ton rate is arithmetically 84 per cent greater than this $2.86 a ton variable cost which we had calculated.

In the same Minutes of Proceedings and Evidence of the committee this firm, R. L. Banks and Associates, which is highly qualified, said:

For low value, heavy loading, bulk commodities, any such mark-up is unbearable and unprecedented. In the United States in 1961, the average excess of revenue over variable cost was 27 per cent. Of course, for many commodities the excess was much greater, in a few cases even exceeding 150 per cent. For coal it was 7 per cent.

If it can be established that the variable cost of moving this coal from southwestern Alberta to the west coast is $2.86 per ton and that 84 per cent over that figure is an unreasonable mark-up, there is no justification, first of all, for the C.P.R. demanding that rate and, second, for the government acquiescing to that demand without a thorough investigation.

I close by saying that there are dozens of instances in *Hansard* where the Minister of Transport stated time and again that there would be a full inquiry into, first of all, the techniques of establishing costs and then establishing the costs in regard to specific commodities. This has not been done. I am just as much concerned about the coal mines in southwestern Alberta and their operations as I am about the public treasury, because if this coal was accepted by the Canadian Pacific Railway at the same rate that was offered by the Great Northern the coal operators would not need a subsidy. Furthermore, the coal industry has a great future but not at $5.28 a ton, which appears to be 84 per cent over the proper variable costs.

I hope that the Minister of Finance, who is responsible to the Canadian people for the public treasury, will have a conference with the Minister of Transport and perhaps the Minister of Energy, Mines and Resources (Mr. Pepin) to see that a very high priority is placed on establishing the variable costs of moving this coal. There is an enormous market for our coal in Japan and perhaps other countries as soon as we can get the Canadian Pacific Railway to haul it to the west coast at a reasonable price.

I want to thank the house for its indulgence in allowing me a few extra minutes to complete my remarks. I hope that when the Minister of Finance replies he will not overlook the fact that we want the coal mining industry in southwestern Alberta and southeastern British Columbia to be able to operate on a sound basis. These people do not need a government subsidy if they can get a reasonable rate from the one and only railroad which can serve them. I hope the techniques for establishing these costs and so on will be one of the matters the government will deal with as quickly as it is physically possible to do so.

Mr. Pepin: Mr. Speaker, I should just like to make sure that the hon. member is aware of the agreement reached recently by the government through the Dominion Coal Board with Coleman and I should like to ask him—

Mr. Speaker: Order, please. I should like to bring to the attention of the minister that the hon. member's time expired a while ago and I doubt that we should extend it further.

Mr. MacEachen: Mr. Speaker, in accordance with discussions that have already taken place I should like to move the adjournment of the debate.

Motion agreed to.

SUPPLY

The House in committee of supply, Mr. Batten in the chair.

DEPARTMENT OF THE SOLICITOR GENERAL

1. Departmental administration including administrative expenses of the Committee on Corrections plus such fees, salaries and expenses as may be approved by Treasury Board for members and the panel of consultants and staff named by the minister to advise and assist the committee, and grants as detailed in the estimates, $1,015,400.

Supply—Solicitor General

The Chairman: Order. House again in committee of supply, estimates of the Department of the Solicitor General for the fiscal year ending March 31, 1968, vote No. 1. Vote No. 1 will be found at page 478 of the blue book and the details thereof are listed on page 480.

• (5:40 p.m.)

Mr. Pennell: Mr. Chairman, I believe the house would have cause to complain if I neglected to make some reference in my opening statement to the problem of crime. It is useful to remind ourselves of the presence of this problem which poses a threat to the quality of our society. Crime, and particularly the varieties of sophisticated crime which confront the police today, flourishes best where publicity is at a minimum and where the community is not alert to the wide range of devious methods which the 1967 model criminal sometimes uses to achieve his goals. We must turn the spotlight of publicity on both the crime and the master criminal in order to focus national attention upon the problem.

It is an unpleasant fact that there has been an increase in reported general crime. By "general crime" I mean the usual types of criminal activity: robbery, theft, breaking and entering, and so on. The available statistics indicate that crimes of this kind are increasing in number each year. In 1966 there were 737,900 Criminal Code and federal statute offences, excluding traffic offences, reported. This mean 1.4 serious offences occur every minute in Canada.

There are apparently three causes for the increase of reported general crime. First, part of the increase can be found in the word "reported". Until recently, a number of police forces either were not alert to the importance of reporting their activities to a central agency or lacked the staff that would have enabled them to report on a regular basis. These handicaps are being overcome and the results, in part, are reflected in an increase in reported crime.

Second, the increase in our population has also brought an increase in the number of offences. Assuming an unchanged rate of crime, there would of course be an increase in the total number of offences in proportion to the increase in the total population.

Finally, I believe there has been, in fact, an increase in the per capita rate of crime in this country. It is no comfort to learn that in the United States and Great Britain the increase in reported crime is higher than in Canada. There is an increase in reported crime in Canada, however it may be explained, and it must of necessity cause us some concern.

A significant fact in recent years has been that the nature of the task facing police forces is changing. The police are being called upon to deal with a silent enemy within our borders known as organized crime.

The phrase "organized crime" is of course in common usage, but it is not always easy to pinpoint what that expression means. Basically, of course, it means that criminals cease to operate as individuals and begin to work in teams, co-operating wherever it suits their interests. Criminal organizations grow up in which some men are virtually the employees of higher-ranked criminals who direct activities. An additional characteristic of organized crime is that the criminal group remains in existence over long periods of time, constantly turning its hand to new fields; in a sense, this makes a permanent business of crime. These illegal activities have arisen for the chief purpose of catering to our vices —gambling, drinking, narcotics—with illegitimate financial profit as the objective.

Then, we sometimes speak of crime syndicates which the R.C.M.P. describes in these words:

> "Syndicated crime" denotes a subsisting association of persons engaged in criminal activities, and so highly organized and successful that it has acquired exclusive control or a monopoly over certain types of crime, or all crime, in a given area.

To know the nature of organized crime is to know the dimensions of the problem the police face. There has been an occasional critical reference to the government's response to the problem of crime. Generally, I take no exception to criticism for I interpret it as a genuine concern about a serious problem. But as hon. members will realize, the investigation and prosecution of crime in Canada is, generally speaking, a matter within the responsibility of the provincial authorities. Normal criminal investigation comes within the provisions of section 92 of the B.N.A. Act which leave the administration of justice to the several provinces.

The R.C.M.P. is primarily a federal police force, of course, although it functions on a contract basis in eight provinces as a provincial force. Even in those provinces, however, it has no direct policing authority or responsibility in the major cities which have their own forces reporting to the provincial attorney general. Therefore, the activities of the federal police are restricted in so far as organized crime is concerned. The R.C.M.P. enforce certain federal statutes such as the

Narcotics Control Act and on this basis encounter large-scale crime. They also maintain a criminal intelligence network in the country, and on this basis gain an awareness of criminal activities everywhere. They co-operate on request with local authorities and are the channel of communication with law enforcement agencies in other countries, such as the F.B.I. or Interpol.

I believe there is no police force in the country which is better informed than the R.C.M.P. on the dimensions of the criminal problem. Nevertheless it should not be forgotten in this house that under our constitutional arrangements the R.C.M.P. have no direct involvement with many of the activities which criminals are pursuing.

In the two largest provinces, of course, the R.C.M.P. do not function as provincial police forces, and so their constitutional responsibility is still further limited.

The nature of police work is such that it involves two main problems. First, the criminal must be detected and, second, the evidence must be assembled for a conviction. With the growth in sophisticated crime it becomes harder to collect the evidence necessary to convict. Guilt by association is something which our criminal law has always frowned upon. It is well known that the higher-ranked criminals protect their anonymity and that strong security measures are enforced within the criminal hierarchy. The leaders apparently insulate themselves from their henchmen, and the arrest of a henchman usually does not produce the evidence to sustain a conviction of someone higher up the line.

Breaking through this screen of insulation to get at the real leaders is not simple and requires primarily more intensive investigation and the utmost co-ordination and sharing of police information among the various forces.

Some indication of the threat posed by organized crime may be gleaned from the fact that during the past three years the R.C.M.P. have made seizures of heroin which can be valued at a street price to the addict of about $240,000,000. The R.C.M.P. have reason to believe that in Canada the distribution of so-called "hard" narcotics, by which I mean primarily heroin, is reasonably under control. In Toronto and Montreal particularly, the efforts of the police have been rewarded by considerable success while in Vancouver they have not been quite as successful.

Traffic in "soft" narcotics, primarily marijuana, is not so well contained. I should like to put on the record some factors relating to the number of narcotic arrests. For trafficking in or possession of heroin 406 arrests were made in 1964, 395 in 1965, and 461 in 1966. For trafficking in or possession of marijuana 78 arrests were made in 1964, 162 in 1965, and 398 in 1966. Our biggest problem with respect to organized crime relates to narcotics. There are other areas in which criminal activities are also organized, though generally on a local scale.

Counterfeiting is an offence against the Criminal Code but in practice the investigation of counterfeiters is carried out in large measure by the R.C.M.P. The value of counterfeit notes passed to the public in recent years has been: in 1964, 8,148 notes having a value of about $157,000; in 1965, 15,637 notes having a value of about $303,000; in 1966, 14,618 notes were passed to the public having a value of about $250,000.

On the other side of the ledger I should like to point out that the value of the counterfeit notes seized before their manufacturers had a chance to pass them off to the public has been: in 1964, 17,291 notes having a value of $228,400; in 1965, 26,291 notes having a value of $400,000; and in 1966, 18,361 notes having a value of $580,000.

If we are to combat crime successfully we must not only increase the number of trained policemen but we must increase the efficiency of the members of the force. This efficiency can be improved by increased specialization and improved professional training of the police, by giving the police the resources of technology and by greater application of some of the methods used in business, particularly in the area of information handling and communications.

• (5:50 p.m.)

In few other occupations is rapid access to records so crucial to success. Canadian law enforcement agencies are segmented into 710 municipal, township, provincial and federal organizations that neverthless are highly interdependent for information and assistance.

All recommendations for action decided upon at the dominion-provincial conference of attorneys general have already been implemented or are well along the way toward implementation. For example, the strength of the various national crime intelligence units attached to the R.C.M.P. has been increased. A national wire photo service is now in operation and the R.C.M.P. telecommunications

system has been greatly extended and now has 65 stations across Canada. A national automobile theft bureau has been established at R.C.M.P. headquarters and has been operating since April 1, 1967.

The increases during the past three years in the strength of the force and in its expenditures on modern equipment have been greater than in any comparable period in our history. Increasing use will be made of technology in the immediate future, including introduction of the most modern data processing equipment which will be integrated with the data systems in use by the F.B.I.

The modern war on crime calls for a critical review of our commercial laws to close up any loopholes that might be exploited by the organized criminal. The house is well aware that the Bankruptcy Act was recently amended to strengthen the hand of the superintendent of bankruptcy in dealing with fraudulent bankruptcies, and I understand that a further revision is being attended to in the Department of the Registrar General. Special bankruptcy investigation squads have been established by the R.C.M.P. in Toronto and Montreal, and in other centres bankruptcy investigations are carried out by the general crime investigation squads.

Perhaps the house will be interested to learn that the R.C.M.P. are now taking steps to implement the proposal to establish a security fraud squad and a central repository of securities regulation information.

Perhaps the greatest difficulty to overcome in the fight against crime is public apathy or indifference. The law enforcement agencies cannot win the struggle against crime alone. Too many Canadians are prepared to accept crime as a natural phenomenon of our society. I can hardly think of a more dangerous development. With this lax attitude organized crime prospers and may spread its tentacles into wide varieties of business which are now free of it. We should not forget that organized crime makes its huge profits by selling its products, whether they be narcotics, liquor or bookmaking services, to members of what we usually describe as the law-abiding public.

The establishment of the R.C.M.P. has been increased from 9,500 in 1965 to nearly 11,000 in 1967. The R.C.M.P. budget has been increased at the same time. In 1965 it was about $80 million, this year it will be about $110 million. A new Canadian police college is on the drawing boards and a curriculum is being prepared.

[Mr. Pennell.]

Crime and corrections are non-partisan matters, but I believe it can fairly be said that the government has not been lax in its approach to the problem of crime. The division of the jurisdiction poses a constant problem, of course, but better liaison work is solving the problem.

I now turn to examine the other arm of the department which is concerned in the war against crime. I mean the national parole board and the Canadian penitentiary service. Any meaningful war against crime must also concentrate on ways of getting at the sources of crime and on methods of reforming potential criminals. This is perhaps a more difficult job than even police work is. What we must keep in mind at all times though is that most of those engaging the attention of police from day to day are persons who have already been inmates of penitentiaries. Our criminal repeater problem is very disconcerting. In fact, about 45 per cent of the newcomers to a federal prison in any year have previously been in the same or some other federal prison serving a sentence of two years or more. It is obvious that if we could do something to reform these persons while we have them in custody we would be depriving the police forces of a large body of men who in fact are their best customers. I do not suggest this will be easy.

The year 1967 marks the halfway point in the Canadian penitentiary service's program of institutional development—1963-1973—commonly known as the ten year plan. It is in order at this midway point to announce the accomplishments that have been made in the implementation of this program. During the last fiscal year a new medium security institution was opened at Cowansville, Quebec, together with a specialized institution for the treatment of male and female drug offenders at Matsqui, B.C. Further, during this current fiscal year three more medium security institutions for young offenders and selected male adults will be opened at Springhill, Nova Scotia, Warkworth, Ontario and Drumheller, Alberta. Also a special correctional unit for the most difficult of maximum security inmates will come into operation shortly and afford an opportuity for the penitentiary service to provide a concentrated treatment program for this type of inmate.

The estimates currently being studied provide for the establishing of five community release centres in various cities across Canada, a step which is most significant in filling the void in that transitional period between custody and release and readjustment

to the community. I understand the service has completed an agreement to purchase suitable accommodation in Montreal. In addition, funds are being requested for the continuing construction of a maximum security institution at Ste. Anne des Plaines to eventually replace the archaic St. Vincent de Paul penitentiary, as well as the initial construction of another institution in Ontario to replace Kingston penitentiary, the start of construction on four reception centres, one each in the Atlantic region, Quebec, Ontario and Western Canada, and the purchase of a site for a new modern institution for the treatment of female offenders in eastern Canada.

All of the above represents a very large building program. Much has been accomplished even in the face of numerous unforeseen and regrettable delays. However, it is hoped that with the completion of the projects planned for this and the next fiscal year, the whole spectrum of institutions included in the plan will be a reality and that the treatment program envisaged therein can be fully implemented.

Although much effort has been concentrated over the last few years in attaining the physical facilities necessary for any modern correctional program, the treatment program itself has not been left unattended nor has that element so necessary in carrying out any program—the staff of the penitentiary service. The penitentiary service, like many other agencies in similar fields, has experienced considerable difficulty in recruiting adequate staff, especially professionals in the psychiatric, psychological and sociological disciplines, to bring about changing treatment and training programs being introduced into its existing institutions and those planned for its new treatment centres. In addition, a concentrated program of both in-service and out-service training for staff is being stepped up.

In order to provide for the increase in staff, from 2,500 to 7,000 during this ten year period, provision is being made this year to enlarge the correctional staff college in Ontario, for the completion of a new staff college in Quebec and the initial construction of another staff college in British Columbia. In this way it is hoped to upgrade the knowledge of all penitentiary staff in the areas of penology and the handling and treatment of inmates and to replace the traditional notion of penitentiaries as a place of custody with one of treatment and resocialization.

I should now like to comment briefly on the activities of the national parole board. I have about one more page of notes, Mr. Chairman, if I may be permitted to complete my remarks.

Some hon. Members: Agreed.

Mr. Pennell: It is encouraging to note that in 1966 there was an increase of 200 in the number of paroles granted bringing the total to 2,496 for the year. During the first quarter of this year the number of paroles granted increased by 271 over the same period last year. If the present trend continues it is expected that approximately 3,000 inmates will obtain paroles this year. If this comes to pass it will be the highest number of paroles granted in the history of the board.

• (6:00 p.m.)

A significant point I should like to mention is that despite the increased number of paroles granted the failure rate still remains constant at roughly 10 to 11 per cent, which is very modest indeed. This indicates that the board's dual concern for the rehabilitation of the offender and the protection of society still remains in balance.

Speaking for myself I remain firmly committed to the belief that increased probation and parole are our best instruments in the great task of human renewal. I want to express the hope that those in authority will continue to exercise their discretion in these matters generously.

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.

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 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; the hon. member for Middlesex East (Mr. Lind), Natural Gas —Southwestern Ontario—Damage caused by pipe line construction; the hon. member for Halifax (Mr. Forrestall), National Harbours Board—Hiring practices.

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.

Private Bills

PRIVATE BILLS

UNITED INVESTMENT LIFE ASSURANCE COMPANY

Mr. Grant Deachman (for Mr. Wahn) moved the second reading of Bill No. C-114, to incorporate United Investment Life Assurance Company.

He said: Mr. Speaker, I rise this afternoon to present Bill No. C-114 on behalf of the sponsor, the hon. member for St. Paul's (Mr. Wahn). The bill is to incorporate United Investment Life Assurance Company. The company is to be incorporated for the purpose of carrying on the business of a life insurance company throughout Canada.

United Funds Management Ltd. will subscribe for $500,000 of the capital stock of the company and will make a further contribution to surplus of $500,000. Within two years of commencement of business, United Funds Management Ltd. will sell to officers, directors and employees of the company and, if necessary, others who are Canadian residents 25 per cent of the capital stock of the insurance company for the same price.

United Funds Management Ltd. is an investment management company which is the investment adviser with respect to the portfolio of United Accumulative Fund Ltd., a Canadian mutual fund with assets in excess of $300 million. Over 99 per cent of the 130,000 shareholders of United Accumulative Fund Ltd. are Canadians, as are 13 of the 15 members of its board of directors. Approximately 19 per cent of United Funds Management Ltd. shares are owned by Canadian residents.

Waddell and Reed Incorporated will, within two years of commencement of business of the insurance company, make a public offering to Canadian residents of a sufficient number of the shares of United Funds Management Ltd. to bring its share ownership to below 75 per cent. Accordingly, within two years of the insurance company commencing business the indirect ownership of Waddell and Reed Incorporated, in the insurance company will be reduced to a maximum of 56.25 per cent with practically all of the balance owned by residents of Canada.

United Funds Management Ltd. will undertake to sell to Canadian residents within ten years of the commencement of business of the insurance company sufficient shares of the insurance company then owned by them to bring the indirect ownership of Waddell and Reed Incorporated in the Insurance Company to below 50 per cent.

[Mr. Deputy Speaker.]

The insurance company will initially offer for sale term insurance and ordinary life insurance, stressing forms of such insurance which complement the investment requirements of the shareholders of the mutual fund, United Accumulative Fund Ltd. The fund has over 130,000 shareholders. Other policies of insurance will be studied and introduced if found to be appropriate.

The insurance sales force will operate out of the existing branch offices of United Investment Services Ltd., the selling organization, which is a wholly owned subsidiary of United Funds Management Ltd. There are presently 62 such branch offices serving almost all of the major cities across Canada and ready to provide facilities and service to the insurance sales force.

Management and administrative personnel and facilities of the parent company and its subsidiaries are available to provide efficient low-cost service in the establishment and administration of the insurance company, including computer facilities and experience in servicing 130,000 customer accounts, many of which remit investments on a monthly, quarterly or annual basis, one form of which includes the handling of insurance applications and claims. Experienced management personnel will be readily available for consultation and an estate settlement department is already in operation.

Initially, the insurance company's funds would be invested largely in federal, provincial and municipal bonds. However, with growth the investment advisors of United Funds Management Ltd. would be called upon to guide the company in its investment activity to allow for diversification to include investment in corporate bonds, mortgages and other securities allowed under the Canadian and British Insurance Companies Act.

Extensive feasibility studies and projections have been carried out by Eckler Brown and Company Ltd., a firm of consulting actuaries in Toronto, projecting that there should be an operating gain in the third year and subsequent years and that the cumulative operating gain should exceed the surplus strain some time in the fifth year and that by the tenth year there should be a net surplus gain of $1,400,000.

The actuary made his findings after several consultations had taken place between the department of insurance, the actuary and company officers and an examination of

United Investors Life Insurance Company experience had been conducted. United Investors Life Insurance Company, a subsidiary of Waddell and Reed Incorporated, is an insurance company engaged in the sale, primarily, of term life insurance to complement the mutual fund sales of Waddell and Reed Incorporated in the United States.

The insurance company would enter into reinsurance contracts to reduce the single case risk element in policies sold.

The insurance company will be headed by Mr. Gordon E. Eddolls, who is president of United Investment Services Ltd. and who has had former experience in the insurance industry. Other management personnel will include Mr. Rodney S. C. Donald, who is president of United Funds Management Ltd. and who has been chief executive of investment management for seven years; Mr. John William Galbraith, C.P.A., vice president in charge of administration of United Investment Services Ltd., Mr. William R. Miller, treasurer of United Funds Management Ltd. and United Investment Services Ltd. The company will employ a senior underwriter and such other specialists as may become necessary. Eckler, Brown and Company Limited will provide continuing actuarial service in connection with the establishment of the company's books, policies and manuals, and the annual actuarial review. Legal counsel will be Messrs. Campbell, Godfrey and Lewtas. The Ottawa agents are Messrs. Gowling, MacTavish, Osborne and Henderson. The auditors are Clarkson, Gordon and Company.

• (6:10 p.m.)

That is the story in respect of Bill C-114 which is before us this afternoon. Perhaps I might say a few words now on a different though related subject.

From time to time I have introduced bills of this nature in the house and have assisted other members in the introduction of such bills when they happened to be absent. I must say I often feel there must be other methods by which companies can be brought into being as incorporated companies in Canada. I often wonder whether this is one of the more profitable ways in which members of the House of Commons can spend this particular hour and I commend to the government the possibility of bringing into being, either this session or as soon as possible, an act which would remove these bills from the House of Commons and enable these companies to be incorporated in some other way. As long as this is the way in which companies have to be incorporated I do not mind going through the present procedure. Nevertheless I wish to place this comment on record as I bring Bill No. C-114 before the house this afternoon.

Mr. Speaker: The hon. member for Edmonton West.

Mr. Howard: Mr. Speaker, before the hon. member for Edmonton West speaks, may I say that I was listening to what the hon. member for Vancouver Quadra told us about the desirability of spending this hour profitably. It is obvious that most hon. members are spending it more profitably than we are because I can only count 12 of them in their places. I do not think we can do any business in that way. I wonder, Mr. Speaker, whether you could ascertain if that figure is correct.

Mr. Lambert: Never mind this pious attitude. Let us get on with our business.

Mr. Howard: It is not a pious atiitude. It is a fact of life, if the hon. member is interested.

Mr. Lambert: In another context I notice people do not insist on this. They do not show a pious, sanctimonious attitude by counting people or insisting that others should count them.

Mr. Howard: Let us follow the rules. One would not expect a statement like that from a former Speaker. Stick to the rules.

Mr. Lambert: We will get on with the business. I find that other people have an acute disregard of the rules as far as attendance in the house is concerned.

Mr. Howard: I see only 12 people here.

Mr. Speaker: The hon. member for Edmonton West.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, may I deal with the point which the hon. member for Vancouver Quadra (Mr. Deachman) raised in connection with the present method of incorporating companies. I do not feel it is necessary that one hour be spent on every bill of this kind that comes before the house. The place to deal with these measures in detail is in the committee. But it is necessary to bring them before the house because of the system under which they are read the second time, studied in the committee and then returned to this chamber. The hon. member may quarrel with the machinery, but I believe that in matters concerning insurance, matters concerning pipe lines, for

example, it serves its purpose very well. I am sure the hon. member for Skeena (Mr. Howard) welcomes the opportunity to discuss pipe lines on the floor of the house.

On balance I believe it is best we should discuss these applications or have them available for discussion. I do not think we can abdicate our responsibility when it comes to the principle of the incorporation of insurance companies or banks. This house does not exist merely to say "Amen" to government legislation. It has wider responsibilities. I know there are certain members opposite who feel that its only duty is to praise with high hosannas the wisdom of government legislation. That is not the purpose of parliament.

Bills of the type now before us are, of course, sponsored privately since the government itself cannot accept responsibility for promoting the incorporation of private companies. There are no doubt some imperfections attached to the present way of doing things but I cannot agree with the hon. member for Vancouver Quadra that we should farm out this responsibility to yet another board, yet another group of officials. The tendency within the Liberal party has been to farm these things out to a bureaucracy outside parliament, and I cannot agree with it.

To return to the bill itself, we know it will go before the committee on finance, trade and economic affairs where the sponsors and their counsel, as well as the superintendent of insurance, will be available for examination in detail by members of that committee before the adoption or otherwise of this bill is recommended.

I appreciate what the hon. member for Vancouver Quadra has done in placing on record a detailed memorandum as to the purposes of this company and the identity of its owners. I shall have some serious questions to ask in this regard when the bill goes before the committee. This is a bill for the incorporation of a Canadian insurance company to be owned and controlled by outside interests. I have some reservations about that.

I have reservations about insurance companies being closely tied to investment companies or investment fund interests. Unfortunately, during the past few years there has been a proliferation of these related interests incorporated under provincial jurisdiction. Some of these operations could bear much closer scrutiny, particularly when portfolios are dangerously exposed to the influence of sudden deflation or perhaps unwise investment. I raise these points as an indication of the type of questions I shall wish to ask in the committee.

[Mr. Lambert.]

• (6:20 p.m.)

So far as the principle of the incorporation of such companies is concerned I would say that provided the applications meet the legal requirements, provided the policyholders are protected, and provided the proposed operation meets the strict requirements of the superintendent of insurance, I do not think anyone should adopt a paternalistic attitude toward the sponsors or investors or try to hold their hands. It should be borne in mind that those who seek the right to incorporate companies and invest their own money are men of business judgment. They make their investment on their own responsibility. If they wish to risk their own money, and so long as no one else gets hurt, that is fine. I am quite prepared to see they get the right to incorporate and to try to make a success of their company. If they do not make a success of it, it is their own money that they lose. All I am concerned about in a matter of this kind is that the policy holders do not get hurt. So far as the shareholders are concerned, as the saying goes they are big boys; they are over 21 and should be able to take care of themselves. I do not think we have to be paternalistic to the point where we guarantee that they will not suffer a loss. With these remarks, Mr. Speaker, I am quite prepared to recommend to the house that the bill be accepted on second reading but that in committee we look into the questions I have raised.

Mr. Frank Howard (Skeena): Mr. Speaker, a few moments ago we had an interesting byplay about attendance in the house and I would like to welcome to the chamber those Liberal members who are more in number than the four who were here a little while ago. At least the interruption I made has prompted a greater attendance than was the case previously.

One of the most interesting aspects of that byplay was the proposition made by the hon. gentleman who a few years ago held the most honoured position in this house and who perhaps was as heavy-handed and hard-headed a self-appointed lecturer on the rules as this parliament has ever seen. To listen to that hon. gentleman say in effect, "To heck with the rules, they don't mean anything any longer," is a preposterous proposition, and indicates how shallow an approach is taken to the rules depending on what point one wants to—

Mr. Lambert: I certainly did not take a sanctimonious, holier-than-thou attitude.

Mr. Howard: The hon. gentleman has now interjected a remark while sitting. He would have ridden people out of the house on a rail if anybody while seated had interrupted when he was presiding. He has just interjected that he did not take a holier-than-thou attitude. That is just what he did when he was in the chair. He was above the call—

Mr. Speaker: Order. The hon. member has the floor for one purpose which I understand is to discuss Bill C-114.

Mr. Howard: That is my sole purpose, Mr. Speaker, but I was enticed by the hon. member for Edmonton West to depart from the rules again and I could not resist it. If he will be silent I will proceed.

Mr. Speaker: May I entice the hon. member back to Bill No. C-114.

Mr. Howard: Yes, Mr. Speaker. I am afraid my speech will be almost identical to that given by the hon. member for Vancouver Quadra (Mr. Deachman) because I am sure we have both been supplied with the same notes from the same source.

With respect to the bill before us one of the aspects we must consider is the question of Canadian ownership versus foreign ownership. This is something which has been considered in general terms on many other occasions, but we must examine it again in relation to this particular company, United Investment Life Assurance Company.

Some months ago on national television the Prime Minister (Mr. Pearson) made a firm statement to the effect that government policy was designed to move toward the repatriation—I think that is as good as a word as any other—of ownership of the Canadian economy. He said this was the philosophy of the Liberal party and of the government. Many who saw that television broadcast applauded the right hon. gentleman for taking this course. Many people were pleased to see that publicly he fully endorsed the position taken by the former minister of finance, whose present position in the cabinet escapes my memory for the moment. I think he is now President of the Privy Council. In any event I am talking about Mr. Gordon, if I may transgress the rules somewhat to indicate the gentleman.

There is a provision in the Canadian and British Insurance Companies Act which says that life insurance companies must come under Canadian ownership except those that were in existence prior to the coming into force of that provision. The Prime Minister's broadcast and that provision in the act demand of us in parliament that we inquire into the degree of Canadian or foreign ownership that exists with respect to this company.

Quite frankly, I do not see how the United Investment Life Assurance Company can get around the provision in the Canadian and British Insurance Companies Act which requires life insurance companies to be Canadian owned, unless there is some loophole in the act which permits this. That may well be the case, because the insurance companies act which will apply to this company when it is incorporated is a very intricate and involved document, not easily understood except by those who have spent a lifetime dealing with insurance companies and their corporate structure.

While, as I say, I do not fully understand whether the provisions of the Canadian and British Insurance Companies Act require this company to be Canadian owned, nevertheless it appears that such is the case. The statement made by the hon. member for Vancouver Quadra contained a couple of references to the effect that the holding company, which owns 81 per cent of another company, that owns in turn 100 per cent of the company seeking to be incorporated, will dispose of some of its holdings to Canadians. This would not be done unless the provisions of the Canadian and British Insurance Companies Act apply to the company seeking incorporation. In fact, checking earlier in the year with the superintendent of insurance we were told over the telephone that the company was indirectly American owned.

Some emphasis was placed on the proposals about Canadian participation and ownership. This is a good feature in the attitude of this company, one which other companies would be well advised to follow because, as I said, parliament is duty bound to try to put into effect the policy contained in the Canadian and British Insurance Companies Act and in the Prime Minister's television broadcast. That policy was also enunciated by the former minister of finance and was supported by some members of the cabinet just as fervently as other members of the cabinet opposed the idea of Canadian ownership. However, as I say, I think parliament is duty bound to follow the lead which the Prime Minister gave in his television broadcast and to make sure that companies seeking incorporation become Canadian owned. There is an element of Canadian ownership in the present case which reflects public policy on these matters.

Private Bills

• (6:30 p.m.)

At the moment I must say that it is difficult to follow all the intricacies of these various companies. I have had the situation explained to me on three or four occasions. I have read the documents and have listened to the hon. member for Vancouver Quadra (Mr. Deachman) explain it, but still it escapes my grasp unless I look at a chart which shows me the interconnection between some of these companies. United Funds Management Ltd. owns 100 per cent of United Investment Life Assurance Company, which is the company to be incorporated here. United Funds Management Ltd. is owned to a degree of approximately 19 per cent by Canadian residents and approximately 81 per cent by Waddell and Reed Inc. which is the parent company in the United States. When the bill which seeks to incorporate this company was before the house during the last session, it was one of those which did not pass at the end of the session because of the concern expressed about the simple question of Canadian ownership. As a result of a declaration on the part of some hon. members that they were concerned about Canadian ownership, the sponsors and promoters of the company made a proposal to Waddell and Reed, Inc. in the United States, the parent company of United Investment Life Assurance Company, about the question of Canadian ownership, following the pattern established in respect of the Mercantile Bank.

The pattern established in respect of the Mercantile Bank was that there would be a period of time in which the degree of foreign ownership which now exists would be dispensed with; in other words, over a period of time this company would cease to become a foreign owned company and would become a Canadian owned company by the offering of share capital to Canadians. It was as a result of this expression of desire by some hon. members that the provision relating to Canadian participation in ownership which was made by the hon. member for Vancouver Quadra came into being.

I believe it is worth while to read this memorandum again in order to underline the approach of this company in this regard. Waddell and Reed, Inc. is the parent company in the United States which owns United Funds Management Ltd. to the extent of 81 per cent and thereby, through it, owns United Investment Life Assurance Company to the extent of 100 per cent. One of the first things that will occur is that within two years of the commencement of business United Funds Management Ltd., which is the company which owns United Investment Life Assurance Company to the extent of 100 per cent, will offer to sell to officers, directors and employees of the company and, if necessary, others who are Canadian residents 25 per cent of the capital stock of the insurance company for the same price. This means that within a period of time this 100 per cent ownership by United Funds Management Ltd. will become 75 per cent.

If I keep reading this document and continue to refer to the graphs, I will come to understand at least one aspect of the operation of the company by repetition, if through no other means. Waddell and Reed, Inc., the parent United States company, will within two years of commencement of business of the Insurance Company—and I wonder here whether I am speaking about the same thing because the statement refers to the insurance company with the "i" in "Insurance" a capital letter yet the company which is sought to be incorporated is not to be called an insurance company but rather an assurance company. It may be that the reference to "insurance company" merely relates to United Investment Life Assurance Company, although the writing here is sufficient to make us pause to see whether this is what we are talking about. The statement says that Waddell and Reed, Inc., will, within two years of the commencement of business of the Insurance Company make a public offering to Canadian residents of a sufficient number of the shares of United Funds Management Ltd. to bring its share ownership to below 75 per cent. Accordingly, within two years of the insurance company commencing business, the indirect ownership of Waddell and Reed, Inc., in the insurance company will be reduced to a maximum of 56.25 per cent, with practically all the balance owned by residents of Canada.

That is to say, instead of Waddell & Reed Inc. owning 81 per cent of the company which owns United Investment Life Assurance Company to the extent of 100 per cent, within two years, through the distribution of the share ownership, the indirect ownership by Waddell & Reed Inc. of United Investment Life Assurance Company will be reduced to a maximum of 56.25 per cent, which is getting close to the margin required for full Canadian ownership.

United Funds Management Ltd., according to this statement, will undertake to sell to Canadian residents within ten years of the commencement of business of the insurance

company, sufficient shares of the insurance company then owned by them to bring the indirect ownership of Waddell & Reed Inc. in the insurance company to below 50 per cent.

This is a statement of policy and of intention on the part of the company. This statement meets the objections raised in this house by some members on an earlier occasion during another session. So far it is only a statement of policy. With all respect to those who enunciated this statement and with all respect to those who developed the idea and accepted it, in common parlance and without being unkind I should like to suggest that it still has only the value of the paper on which it is written. There is nothing in the bill before us to indicate that United Investment Life Assurance Company will, within a period of time set out in the statement of intention of the company itself, comply with the statement of policy. I think this is something which should be cleared away in the committee. It is the law of Canada that this will take place. It certainly is the law of Canada that it will take place with regard to the Mercantile Bank. In that case it is not simply a matter of the acceptance by the Canadian government of a statement of policy on the part of the Mercantile interests; it is a matter which is nailed down.

When this bill reaches the committee stage, I think it will be the responsibility of the members of that committee to take the policy enunciation of the company and ask the appropriate officers of the Department of Insurance, which I believe is the appropriate body, to have it drafted in the proper legal form so that it can be incorporated into the particular bill. In this way the statement made by the hon. member for Vancouver Quadra which, as I understand it, reflects very clearly and exactly the position of the promoters of the United Investment Life Assurance Company, would by law be related to this particular company and this Bill C-114.

• (6:40 p.m.)

Some may say that by spelling this out in the bill it constitutes a departure from the norm and therefore we should not do it. Let me point out that there are precedents for this. One pipe line company, the name of which escapes me now, some six or seven years ago sought incorporation through sponsorship of the hon. member for Bow River (Mr. Woolliams). That bill contained a provision, because this point was crucial at that time, which required that all the directors of the company at all times would be Canadian citizens ordinarily resident in Canada. The argument that this is a departure from the norm may be true to the extent that it is not ordinarily done, but there is precedent for it, and that precedent arises from a rather peculiar situation.

I submit that the situation now before us is likewise peculiar, in that a company which is owned indirectly in the United States, partly because this was done so easily, with such a direct approach and without hesitation, and partly involuntarily because certain views had been expressed to the company that the passage of this bill would be made much easier, is seeking to be incorporated by parliament at this time.

Mr. Speaker: Order, please. The hon. member's time has expired.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I am afraid I am going to be a great disappointment this afternoon to my colleague, the hon. member for Skeena (Mr. Howard). The other day when we were discussing a bill in respect of the incorporation of another insurance company, the hon. member had some kind remarks to make about me. If I may just make some reference to them, he said as reported at page 755 of *Hansard* for May 30:

> 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.

I have a confession to make to my colleague. Notwithstanding the explanation given by the sponsor with respect to Bill C-114, and having listened to the hon. member's detailed elucidation of what is behind this proposal, I cannot in this instance follow the complexities of the proposal we now have before us. I have some general idea that there is a proposal that if this bill should be approved by parliament, some steps are to be taken in the general direction of divesting the original sponsors of the company of some of their stock holdings. Perhaps my difficulty in this regard is due to the fact that I have not had the opportunity of perusing the document to which both the sponsor of the bill and the hon. member for Skeena referred. It may be

that my remarks will not have that similarity the hon. member for Skeena said his remarks would have to those of the hon. member for Vancouver Quadra (Mr. Deachman).

I have looked at the terms of this bill, however, and the question has arisen in my mind, as indeed it has on quite a number of occasions during this and recent sessions, as to just what direction we are moving in dealing with an almost endless series of bills which seek to incorporate new insurance companies.

Once again I think one should examine the preamble to this bill, which seems to be in a rather stock form, indicating that the persons named in the bill have by their petition prayed that it be enacted as hereinafter set forth, in other words in the details of the bill, and make the bland statement that it is expedient to grant the prayer of the petition; that therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons, enacts as follows, and then goes on to set out the detailed clauses. Let me suggest again today, as I have done on some previous occasions when discussing bills to incorporate insurance companies, that this embodies the basic question we are being asked to consider when we come to the second reading stage of a private bill to incorporate a company. This is something which ought to give us cause at least to look seriously at the proposal put before us.

The hon. member acting for the sponsors in introducing the bill, and the hon. member for Skeena, have apparently made some examination of the terms of the proposal in so far as they relate to the shareholdings of the company, and whether it is to be a Canadian owned company or a company owned by the nationals of other countries. This is a very important aspect of the consideration which should be given to the incorporation of a particular company at this stage of our history, be it an insurance company, or indeed any corporation.

There is another question which warrants our attention, and once again I should like to suggest in connection with this bill, as I have suggested on previous occasion in reference to other bills, that we should consider the economic advisability of incorporating an almost endless proliferation of insurance companies. An insurance company in my view is a company which is not a wealth producing organization. It is indeed a wealth diverting organization in that it diverts the savings of individuals who pay premiums for insurance companies into the channels which fit the desires of the directors or the management of the company. This indeed is a very important aspect of the advisability of granting petitions for the incorporation of a great number of insurance companies.

This is a question which in my view deserves very careful attention. Indeed I think the time has come when members of this house, if they have not already done so, should ask the Dominion Bureau of Statistics to prepare a much more detailed and careful analysis of the situation with particular reference to the number of insurance companies in different areas of the country, and the incidence or relationship of the number of companies to the number of Canadians living in Canada. We do have such figures of interest and concern relating to the number of doctors per capita in a given area of the country, or to the total population of the country.

• (6:50 p.m.)

In view of the almost endless series of incorporations we have been asked to consider, one might begin to raise the question as to whether we will soon have more insurance companies in the country than we have inhabitants. We will find ourselves in the position that is often referred to in many connections as simply taking in one another's washing. In other words, I will be insuring the hon. member for Vancouver Quadra (Mr. Deachman), the hon. member for Vancouver Quadra will be insuring me, and the hon. member for Skeena (Mr. Howard) will probably be looking after the insurance requirements of the Minister of Industry (Mr. Drury). And so, on it will go, right around the piece amongst the members of this house and across the country. I am not suggesting that the passage of this particular bill will create a situation that will literally be as I have been suggesting, but nevertheless it is one of the important matters which should be of concern to us as we consider any and all applications for the incorporation of new insurance companies.

Motion agreed to and bill read the second time.

[*Translation*]

Mr. Speaker: Pursuant to standing order 105, the said bill stands referred to the standing committee on finance, trade and economic affairs.

[*English*]

AETNA CASUALTY COMPANY OF CANADA

On the order:

Resuming debate on the motion of Mr. Cameron (High Park) for the second reading of Bill No. C-112, an act to incorporate Aetna Casualty Company of Canada.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I wonder whether this bill could stand, and may I call it seven o'clock?

Some hon. Members: Agreed.

Mr. Frank Howard (Skeena): Normally, Mr. Speaker, I would not object to the minister doing this, but this particular insurance company, Aetna Casualty Company of Canada, as was mentioned earlier, is one to which we raise very strong objection. I hope, by design, to have the floor when it becomes seven o'clock so that the bill will end up at the bottom of the list, where it belongs. Perhaps the minister would give me just a few moments and then he can call it seven o'clock. I would be quite happy if that could be done. I had the floor on May 30 at seven o'clock and had some further remarks to make when I was interrupted by the clock.

As I have said, it was very difficult to follow the hon. member for High Park (Mr. Cameron) in his introductory remarks, partly because I did not have a program, as was the case today. Since that time I have had the opportunity to read some of the remarks of the sponsor of the bill when he moved second reading. As will be found at page 752 of *Hansard* for May 30, the hon. member for High Park said with respect to the company before us:

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.

The hon. member then pointed out that the 1965 premium income of Aetna Casualty increased 17 per cent to $665 million. If the Minister of Finance (Mr. Sharp) could somehow have found that extra income, we could have looked for a balanced budget this year instead of having a deficit of $750 million. The hon. member for High Park then said:

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.

He said that this company has never had any offices in Canada and a substantial part of the business conducted by the company has been with United States corporations which have subsidiaries operating in Canada. So not only is Aetna Casualty Company of Canada owned by a United States company in Hartford, Connecticut, but most of its business in Canada, which is conducted without its even having an office in this country, has been carried out with companies that are also subsidiaries of United States corporations.

I think there are two strikes against the company which deserve our consideration. The first is that it has been a sort of fly-by-night venture for 48 years, and has now finally got around to the point where it thinks it would be worth while and desirable to become incorporated as a company in Canada, and be legitimate, as the saying goes.

We have a fine example in this respect for those who believe in good Canadian corporate citizenship. This principle was enunciated by the Minister of Trade and Commerce (Mr. Winters) in a letter to all subsidiary companies in Canada telling them what they should do to be good Canadian corporate citizens. It would seem to me that the example set by the promoters and sponsors of United Investment Life Insurance Company was a good one, where they said: Yes, we are an American company but within a period of 10 years we intend to phase out American ownership to the point that at the end of that period the company will be Canadian owned.

I think this is the principle which should be followed by Aetna Casualty Company of Canada. I submit that this company should follow the lead and example set by United Investment Life Insurance Company and should take at face value the declarations of the President of the Privy Council (Mr. Gordon), the declarations of the Prime Minister (Mr. Pearson), and the feeling of the parliament of Canada. Perhaps I am being overly generous in this respect, but I think relatively few members of parliament would object to the idea of a company seeking to become Canadian owned over a reasonable period of time.

We have the example, not set by the Mercantile Bank, but enforced by the government in respect of that bank and followed by United Investment Life Assurance Company. I hope this company will do the same.

Mr. Speaker: Order, please. The hour appointed for the consideration of private members business has now expired. The house will now resume the business interrupted at six o'clock.

Supply—Solicitor General

SUPPLY

The house in committee of supply, Mr. Badanai in the chair.

DEPARTMENT OF THE SOLICITOR GENERAL

1. Departmental administration including administrative expenses of the Committee on Corrections plus such fees, salaries and expenses as may be approved by Treasury Board for members and the panel of consultants and staff named by the minister to advise and assist the committee, and grants as detailed in the estimates, $1,015,400.

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 the Solicitor General, item No. 1, departmental administration.

[*English*]

Mr. Aiken: Mr. Chairman, I welcome the opportunity tonight to make some comments on the estimates of the Department of the Solicitor General. In his opening remarks this afternoon the minister made a very nice, general and non-controversial speech, and there is nothing in it with which I can find fault. However, I do propose to mention some matters he did not include in his speech, and perhaps before the estimates are completed he can round them out by answering some of these questions.

The first matter I wish to mention regards the question of the reorganization of the department itself. I am vaguely dissatisfied with the name of the department in view of the additional responsibilities that have been given to it. Over the years in this country the office of the Solicitor General did not carry the duties or prestige which it now does, since its reorganization. At one time the Solicitor General was not even a cabinet minister. So that the name of the Department of the Solicitor General does not bring to mind for many people the very important duties which the minister now has to carry out. I am sure that if anybody in this government can give some strength and status to the department, the present minister can, and I wish him success along those lines.

The minister introduced his remarks this afternoon by saying that his department was concerned with crime, and then he proceeded to give us some statistics. I wondered then whether we might revise the minister's title and make it "the minister of crime" or perhaps "the crime minister".

Mr. Knowles: But not "the criminal minister".

Mr. Aiken: I think some change in the name would be justified. However, the minister has his duties and I know that he will perform them well.

The first subject I should like to cover is the penitentiaries branch. I am very disappointed that the joint Senate and House of Commons committee on penitentiaries which was set up a year ago never got around to the subject of the penitentiary service in general. The meetings which we had were held on an emergency basis to try to give the department some direction in connection with the maximum security institutions, one of them already nearing completion and another one about to start. The committee therefore did not get around to what many people had hoped it would, that is the general concept of penitentiaries in government service.

However, out of these committee hearings there emerged one obvious fact, namely that there has been some extensive empire building in regional headquarters at Kingston, which is not in the best interest of the penitentiary service. This regional set-up was originally authorized for the administration of supply services in the region. However, I do not believe it was ever the intention that the internal management of individual units should be run from the regional headquarters.

• (8:10 p.m.)

There are two places in which this policy runs afoul of reality. The first one is the women's prison, and the other is the minimum security institutions. In the standing committee, we did not come to grips with the cause of this breakdown in the regional concept. It obviously exists in the service, and there exists also a hard core of institutionalized and custodial oriented people who want to run things from the centre. I am not going to name this group, even if I could. They are there and always have been. I presume they always will be. This core of people in the penitentiary service is unsympathetic to the minimum security program and resists progress in the social sciences.

This core does not involve the whole penitentiary branch in any way. I am quite satisfied that the minister and the commissioner have the very best of intentions in the matter. I know also that there are many excellent

people in the penitentiary service who are anxious to see progress. At the same time there is obviously a constant struggle in that service over the direction of rehabilitative measures. I suggest that the minister and the commissioner must bring to bear their whole weight to remove or transfer those who are not willing to comply with policy directions.

These people are not easy to find and are not easy to transfer. However, the hearings the committee had indicate what everybody knows, that this core does exist and has to be dealt with. Now, I do not say by any means that the attitude of some of these people I am calling the "hard core" is entirely wrong. They have been in the service for many years. They have been disappointed many times. If they are on the lower or custodial level they have perhaps seen efforts on many occasions to improve the situation of prisoners only to find within a short time that a riot of some sort has broken out or individual prisoners upon whom they have been relying have let them down. Eventually there is a return, full cycle, to the position that this is all a waste of time.

Mr. Olson: I rise on a point of order, Mr. Chairman. I regret to interrupt the hon. member but in view of the fact that the Security Council of the United Nations has, within the past hour, unanimously passed a resolution calling for a ceasefire in the Middle East, I wonder if the committee would be disposed to rise, report progress, and provide an opportunity for the government to revert to motions so a statement could be made on this matter.

Mr. Pennell: Mr. Chairman, the information I have received on this situation is very meager indeed. I have in mind now the statement which I believe the Prime Minister made earlier today indicating that it might be acceptable to the house, if circumstances warranted, that the estimates of the Department of External Affairs be called tomorrow. Having regard to both of these points I would, with great respect, request we continue with the business presently before the committee.

Mr. Olson: I believe the Prime Minister and the Secretary of State for External Affairs also said earlier today that if the security council came to a decision and there was something to report, a report would be made to the house. I am not sure whether they said immediately, but certainly with all possible dispatch.

Mr. Pennell: I appreciate the point raised by the hon. member transcends in importance the business now before the committee, but at this time I do not believe I could be very helpful to the committee. Perhaps I could make inquiries and later on this evening, if the information brought to my attention indicates it would be helpful to make a report to the house, I could give consideration to the proposal put forward by the hon. member.

Mr. Aiken: I should like now to turn to the question of minimum security institutions, Mr. Chairman. This is the one group of institutions that the minister passed over in his otherwise comprehensive review this afternoon. In outlining the program for this year, he mentioned the medium security institution at Cowansville, three more medium institutions for young people, the two maximum security institutions which the committee was considering and the institution for females in eastern Canada. I hope that the oversight was merely that, and not an indication that the minimum security program is not going forward with maximum speed. This is one of the fears of the people in the minimum security field, that gradually the program which was begun some years ago will not be carried to its completion.

The problem of immediate concern is the same as that which related to the women's prison, in that there is a regional headquarters which intervenes and, in many cases, sets up the program and internal management of the minimum security institution from outside. I say that this is absolutely wrong. I think there is too much programming, that there are too many regulations and too many rules; prisoners have to be cleared through the penitentiary service at Kingston or some other regional area. There are too many returns of prisoners to be discharged, and so forth. This is one of the weaknesses that became very clear in our study of the prison for women.

I feel that minimum security institutions suffer from the same problem. I think it is absolute nonsense for several institutions, set up presumably on a different approach, to be operated internally from beyond the institution. I think there is no harm whatever in these institutions being provided centrally with food and supply services, but to set up regulations which are applicable to all institutions—and this appears to have happened—is not good policy, and it is not working out. I

feel this is something that ought to be thoroughly investigated.

We had a very clear insight into these problems when Miss Macneill, who was formerly superintendent of the prison for women, came before the committee. She and two other ladies who had been on her staff, but who are no longer connected with the penitentiary service, unburdened themselves to the committee because they were under no pressure, under no danger of action which might be punitive. I do not say that there is, within the service, any fear of this sort of punishment, but naturally a person is not going to throw away his or her job by making unkind comments about the administrative set-up. It was quite clear to us that the prison for women has suffered because of the effort that was made to apply to the women's prison the rules of the maximum security prison for men. They just do not work out.

• (8:20 p.m.)

I say that the same thing applies to the minimum security institutions, which are surely set up on a different basis and with a somewhat different objective. Mr. J. D. Clark, the acting superintendent made a sincere effort to convince the committee that he was not too unhappy with interference from his superiors, but I do not think anybody on the committee really felt that he had made his case. Most on the committee felt that it would have been much better if the penitentiary with which he was connected were self-sustaining and operating. This is the first problem.

I wish to return to my first comment. The minister did not give details about what was planned for minimum security institutions. Granted, we have a bad situation in connection with maximum security prisons, but real progress has been made with minimum security institutions. The concept and organization of minimum security institutions is well accepted, and they are operating satisfactorily. The institutions are constantly afraid that the department's penitentiary service will veer from the good work that is being done and that there will not be support from those higher in the service or from the minister. That is without basis, I know.

The minister believes strongly in the rehabilitation that springs from minimum security institutions. I have a particular interest in Beaver Creek camp, which is near my home town, and have watched it operate since it was set up. It is well accepted in the community and well run, and the local people

[Mr. Aiken.]

had absolutely no fear or uneasiness about its being there. Few inmates walked away, and the camp has produced few recidivists; but I assume that other, similar institutions have had the same experience. Talking about Beaver Creek camp, as an example, I heard rumours that there were plans to expand it into a much larger camp, and that the authorities wanted to take advantage of the excellent land and facilities up there. Yet not many months later I heard the opposite rumour: the camp would be closed and that this was to happen in three or four years from now. When such rumours go around the institution they do not make for good esprit de corps, which is most necessary in this type of penitentiary.

Before we conclude these estimates I wish the minister would fill in the little gap he left in his introductory statement and tell us clearly that minimum security institutions are well accepted and that they will be expanded and enlarged as quickly as possible.

I have another remark to make about the penitentiaries branch of the department. Recently I had occasion to get in touch with the industrial branch of the department. I found that they are doing excellent work in preparing jobs within the institutions with which to keep inmates occupied, and from which they could learn a trade or profession while they are in the institutions. I hope that this branch of the department will be given close attention and much encouragement.

I wish to turn for a moment to the parole board. In common with the penitentiaries branch, they are performing their duties in a most sensitive area of public service. Perhaps their area of service is even more sensitive than that of the penitentiaries branch. If the board makes one error, if there is one accident, its objectives may be set back for many years. We know that this has happened in one or two instances, and that has been a tragedy. Doctor McCaldon, the psychiatrist who gives part time penitentiary service, illustrated the problem when he gave evidence before the joint committee. He stated that in one instance the parole board had been negligent in not accepting the recommendations of a psychiatrist, and a few minutes later, when speaking of another instance, he condemned the parole board for too readily accepting the opinion of a psychiatrist and social worker. When he was asked to explain the differences in his viewpoint he said, "It is just one of those things. We must press the parole board to make up its own mind."

Purely as a result of observation and from what I have heard, I wish to mention three ways in which the parole board can make its work more effective. First, it may be that the board is operating too much by rule of thumb; sometimes this can lead to inconsistent results and bring about resentment. It is undoubtedly true that every individual must be dealt with separately. There are instances, though in which it is most difficult to make consistent decisions. There has been criticism on this score. Perhaps those applying for parole ought to be made aware of what is being done and what is involved.

Second, the parole board should give reasons for its decisions more readily, especially to those directly involved. There has been much criticism about this and I do not know why in most instances the board's reasons cannot be given. The argument advanced here is similar to that which has been advanced in connection with immigration cases, and others. It has been said that it would not be in the best interests of the public or the applicant to give reasons. On the other hand there is a strong feeling that sometimes the reasons for refusing are not valid, or that the board has been misinformed, as has happened in some instances.

Finally, I think the parole board should try to be less susceptible to public opinion in cases of accident; I am referring, of course, to the Dion case. It was suggested from time to time that, in certain aspects of its work the board had been making good progress until the Dion case came up. We all recognize that what happened was a tragedy. All the same I believe the parole board should not permit itself to be too much affected by such an accident. Perhaps it should be a little more cautious and make somewhat better inquiries, but it should proceed with the plan of parole that it had.

I realize that the board was criticised in this house by members who are no longer here; it was publicly criticized for its decision in the Dion case, which was a tragedy, and in other, similar cases. Yet if there is a case where the board is convinced that it is right and where it is convinced that it is following the right course, so far as I am concerned it would have support.

• (8:30 p.m.)

A final word about the R.C.M.P. In the course of his introductory remarks the minister gave us a very useful picture of the work the police forces are doing in Canada at every level of government. He told us that the use of parole had increased and that the failure rate had not risen. The R.C.M.P. has had some troubles during the last two or three years. The Canadian people are proud of this force—proud of its quiet efficiency and its excellent public image. They are proud of the musical ride and of the mounted police uniforms. However, the security branch of the force has had large holes torn in its image during the last couple of years because of investigations which have led to the revelation of some of its methods and decisions. I do not think this is necessarily bad. In this type of work it is very easy to take decisions based on rumour, on previous cases or on unproven connections with other persons. There have been many instances in which apparently, the wrong person, was identified to the force.

I do not think too much stress should be laid on individual happenings in the past but I do believe the R.C.M.P., particularly the security investigation branch, must reconsider its position from time to time in connection with such cases. At this very moment we as members of parliament are considering the possibility of passing legislation which would wipe out a criminal record after a certain period of time had elapsed, perhaps ten or 12 years. The committee on justice and legal affairs has considered this question, a report has been made and the Solicitor General is, I understand, contemplating legislation. If this legislation is passed, with the result that after ten years a record of conviction is wiped out, why should the R.C.M.P. keep on its files information about unproven connections 25 or 30 years ago—the activities at that time of people who were connected in their youth with communist organizations?

I do not speak from definite knowledge, but there certainly seems to be a general opinion that this is what happens. I believe reconsideration should be given to these security procedures, and especially to the retention of records relating to incidents of ancient vintage. I am sure both the public and the police would benefit if such an examination were made.

I should like to conclude with a word about this proposed legislation concerning the wiping out of criminal records. The committee hearings were most useful, but the real problem was this: What would happen in the case of a person who was asked, in connection with an application for employment, for example, whether he had ever been convicted of a criminal offence? Even if the record of the offence had been wiped out, an answer is required—yes, or no. It was suggested that the

way to meet this situation would be for a person whose record had been erased to answer the question in the negative. It was argued he would have legal grounds for doing so.

I feel strongly that this is a wrong approach. I do not think there is any legislative way in which a lie can be made into the truth or the truth made into a lie. Regardless of what has been done in the meantime, if a man is asked whether he has ever been convicted of a criminal offence, and he has been so convicted, he must answer, yes.

I suggest to the Solicitor General, who I understand will be bringing in this legislation, that the only question which ought to be allowed should be one like this "Have you ever been convicted of a criminal offence for which no certificate of rehabilitation has been granted?" In such a situation the person concerned can properly answer that question in the negative without committing perjury, either with legal justification or without.

I trust the minister, when he replies, will answer some of the questions I have raised, particularly those concerning minimum security.

Mr. Winch: I welcome the opportunity of making a few comments on some of the matters which fall within the jurisdiction of the Solicitor General.

May I say, first of all, how much I regret the fact that the special joint committee of the House of Commons and the Senate on penitentiaries was not reappointed immediately this new session began. I fully realize that there is no hope of its being appointed now, and that even if it were it would have little opportunity to get down to work before the summer recess, if there is to be one. The matters which were in the minds of the members of that committee will therefore have to wait until the fall.

As the previous speaker pointed out, the committee was never able to get down to a real study of many of the problems of our penitentiary service. This work is important and it still remains to be done.

I particularly regret the failure to reappoint this committee because it has denied us the opportunity to look more closely into the situation at the women's prison. Had the committee been able to meet some two or three weeks ago I feel it would have been in a position to make a report expressing its views on this situation before the summer recess. I for one, as a member of the committee, was

absolutely amazed at the position taken and the statements made by the acting superintendent. Mr. Clark. I could hardly believe my ears when he told the committee that at the time he took over the place was filthy, the inmates were disrespectful, the program was poor, the discipline lax, and so on. I was not the only one who was amazed. Other members of this house, and Senators who have visited the institution time after time, could not believe what was being said about it. It was of course an indictment of Miss Macneill, the former superintendent. I am sure that the penitentiary service itself must have been amazed at these statements. I only wish they, as the penitentiary service, had come out and refuted the indictment of Miss Macneill, and refuted the allegations. It was within their power and knowledge to do so.

• (8:40 p.m.)

I would like to place on the record the views and remarks of the deputy commissioner of penitentiaries following his visit to the women's prison. I find that he reported in November, 1965, when Miss Macneill was there, and this is what he said:

> The most notable feature in the prison for women was that all inmates, except three who are dissociated, were fully employed.
>
> The institution generally was clean and tidy and, particularly, the rooms in the new part of the institution were beautifully kept.
>
> The school program is outstanding and I was most pleased to see the Indian women improving their educational standards.
>
> A visit to the home economics building, where I was entertained at tea with the inmates, was most enlightening. This type of program is excellent for female inmates and certainly should be continued.

He went on to say:

> Regardless of the administrative problems that may have arisen in the past in relation to the operation of the prison for women, I must say that the superintendent has an excellent program in operation and, from what I could see from my half-day visit, the inmates were being given every opportunity and encouragement to make the best use of their time in prison.

This is the report of the deputy commissioner, yet we have these statements made by the new acting superintendent. Because of the conflict, because of the situation, I am most sorry that the committee has not been given an opportunity of meeting now, so as to bring in its views and recommendations as to the policies that should appertain in a women's penitentiary.

The Solicitor General pointed out that crime in Canada is on the upswing and that we are facing a critical situation. He also pointed to

the high percentage of repeaters. Undoubtedly all he said is correct, but I would like to express the view that the increase in crime, and in particular the high degree of recidivism, must point to the fact that somewhere we have failed and are failing in our rehabilitative policies. I know the main emphasis must be on the individual who commits the crime, but surely according to modern penology we send men into prisons and penitentiaries not for punishment, not for revenge, but for rehabilitation. Yet somewhere along the line we have failed.

It is my belief that one reason we have failed and are still failing is that we think first of construction and second of policy. We have heard from the minister about the ten year program. We are about half way through it now. It has cost and will cost millions and millions of dollars. We are building prisons that are going to stand for 75 or 100 years because they are being built as fortresses, and yet it is quite evident that their construction has no relation to modern policies of penology.

Moreover, we are doing things in construction which other countries say they would never do. In some respects we are including features which authorities in the United States told us that they had wiped out in 1906. I repeat that we are incorporating features in our new prisons that were wiped out over 60 years ago in the United States.

It is quite apparent that in the penitentiary service there is too strong a tendency to base policy on custodial features. It is rather remarkable that in present plans for maximum security here in Canada there are more custodial points, or control points in our newly designed prisons than there are in the super maximum security plans of the United States. Surely you cannot tell me, or try to tell me, that our criminals in Canada are more rabid and more vicious than those in the United States, because I just will not and just cannot believe it. I think we have to get away from this custodial approach. By that I do not mean that there do not have to be control points and discipline. These are bad boys; they are criminals and they have to be treated as such. But hide the custodial features as much as possible, so as to change their minds and, if we can, give them a social consciousness, instead of the anti-social attitude that landed them in the penitentiaries.

I cannot quite understand why it is that we are proceeding with this type of maximum security institution, at the rate and in the numbers we are contemplating, without knowing what future policies are going to be, what our plans for rehabilitation, probation and parole are going to be. We want to know these things. Because we want to know them we have, first, the joint committee on penitentiaries; but perhaps even more important we have a special royal commission which is studying every facet and phase of our penal system, right from the time people arrive in court, through probation, judgment, penitentiary and parole. Yet here we are proceeding with a type of construction that is going to last 50, 75 or 100 years the way it is planned, even before we get the report and the recommendations with respect to policies from the royal commission.

Before we know how to proceed we are going to have the construction. To me that is putting the cart before the horse. I certainly hope the Solicitor General is going to accept the recommendation of the joint committee, that after he proceeds with the construction of the second maximum security institution just outside Kingston he will not proceed with any more until it can be seen how the first new ones work, and until we get the report of the royal commission and know exactly what the policies and plans on penology are going to be.

I also hope that even with the ones that are constructed and are under construction, changes will be made. I do not mean just the changes that were recommended by the joint committee; I mean other matters as well. You are never going to rehabilitate a man, especially a bad one, if you put him in a state of dissociation, where there are no windows, where there are just the three walls, a ceiling, a floor and a blank door. In other words, he can neither see nor hear. If anyone has even a touch of claustrophobia, God help him.

• (8:50 p.m.)

I fully realize you have to have dissociation. There are occasions with a type of individual when he must be put into dissociation; but no matter how bad a man is, at least let him see out into the corridor and, if possible, let him look outside and see the sunlight during the day and the sky at night. I think every member should go through that so-called correction unit in Montreal. Correction unit?—there is only one thing missing from that place and that is a sign over the front door, "All hope abandon, ye who enter here", because it is concrete with iron bars, and overhead is the catwalk for the armed guards. This is revenge; it is punishment; it is not

rehabilitation. A criminal will never be rehabilitated in this kind of atmosphere. I say that it is this type of attitude which has cost the taxpayers a lot of money. We should be directing some real thinking toward our plans in respect of penology.

I was startled when the information was given to the members of the committee, and corroborated by the commissioner of penitentiaries, that if we were to consider the cost of our police forces and our courts, and compare such costs with those of maintaining a person in the penitentiary, including the maintenance of his wife and children, in all probability we would find that if such person were married and possibly on welfare, the cost to the taxpayers of Canada would be over $50,000 a year per inmate in our penitentiaries. When you consider the money which is spent in an effort to bring about rehabilitation, it becomes obvious that the money is well spent if the result is less institutionalism.

I also think those responsible for the penitentiary service are not thinking far enough ahead, or if they are they are doing the wrong kind of thinking. I suggest, through you Mr. Chairman to the Solicitor General, that something must be done at the federal level when we have the kind of thinking which believes that we must have the number of maximum security prisons which we have. It is maintained that 32 per cent of the criminals in Canada require maximum security. Why is the figure 32 per cent, when the manual on correctional standards published by a number of the great penologists of Canada and the United States says that 15 per cent is the figure. Why should it be 32 per cent in Canada and 15 per cent in the United States? Why is there all this hurry to have maximum security when, at the same time that we insist on maintaining that we must have this maximum security, space is available in the minimum security and medium security institutions? Why are these institutions not occupied to capacity? Why should we not take those prisoners who the warden says are coming along fine and move them into minimum security, especially when, according to the information we were given a few weeks ago, there are vacancies.

It does not make sense to me that in Canada we consider the percentage to be 32 while in the United States it is considered to be 15. We scream to death that our maximum security institutions are overloaded, while we have vacancies in the minimum and medium security institutions. I believe we should take a really good look at our policies and plans in respect of penology. I sincerely hope that the government will look into such things as the policy of work release which has been followed in the last 20 months in the federal institutions in the United States. They are convinced that if a man has become rehabilitated he is fit for society. They asked the question: If this man still has some time to serve what can he do? They began an experiment on a trial basis with 2,100 inmates. These inmates left the penitentiary in the morning, went to work, and came back at night and on week ends. They were charged a nominal price for lodging and had to maintain their families. This has proven to be such a success that we were told in Washington that not only is this program to be continued but it will be added to, because it has worked. This is work release, and I believe it is real rehabilitation.

These are matters which I believe we should be thinking about instead of spending so much money building perhaps too many maximum security fortresses. I also hope that a real look will be taken at the parole board and parole policies. We should be releasing many more inmates on parole, under supervision. For the life of me, however, I cannot understand some of the thinking of the members of the parole board. I could mention the case of one bad boy who was in the British Columbia penitentiary for the second time. He could not take it, so they had to send him to the insane asylum. In three or four months his health improved and he was sent back to the penitentiary. In another four months he went back again to the insane asylum. Then it became a matter of back to the penitentiary, back to the insane asylum, back to the penitentiary, into the narcotic institution, back into the insane asylum, and so on. I do not know where he is now. The doctors, the chaplain, the warden and the classification officer say that he should be out on parole and that he should have been out a long time ago. This is the only way in which there would be any hope that he would be able to save himself physically and mentally. That is, he should be sent out on parole in the custody of his father. When the father sees what is happening to his son, then I would become worried about the father and the effect it would have on him. Parole?—no; I believe the chairman of the parole board is in favour of it, but undoubtedly he is not able to convince the members of the board. So it is a case of back into the penitentiary, back into the insane asylum, and back into the penitentiary. One day he

will remain in the insane asylum—I hope not —because it could happen unless there is more warm and humanitarian thinking on the part of at least some of the members of the parole board, instead of the ice water which seems to circulate on many occasions.

Mr. Chairman, I hope that all these questions, which are vital because we are dealing with human lives, will be considered in a modern and reasonable manner. There is just one other point I should like to mention and, that is the guards. As I have said, these are bad boys who are in the penitentiary. Some of them are very cute, very brilliant and very vicious. I wish hon. members could see the weapons they make—the stilettos, the daggers and the imitation guns. They should see, as I have, some of the guards when they have been slashed, or the guard who had his hand blown off at Christmas time, and his son who lost an eye.

I believe a new policy is required in respect of our penitentiary system. We should not wait until somebody is caught with a weapon before arresting him. It must be made known as a definite policy to every inmate that there are severe penalties which they will receive if they are caught with a weapon. I am certain that if the penalties are made more severe—and I agree with this—and are made known, then many of the criminals would think twice before they would go ahead and forge these most vicious and dangerous weapons and attack the guards. I believe also there should be a government policy that whenever a guard is injured either on or off the job, because of his position and responsibility the department should accept the idea that he should be on full salary for life, because of the danger to which he is exposed in his employment.

I sincerely hope that these matters will be taken into consideration. Like the previous speaker I have the highest degree of confidence in the minister. I am certain that eventually he will get around to doing these things and I hope that then we will be able to have better legislation.

• (9:00 p.m.)

[*Translation*]

Mr. Choquette: Mr. Chairman, before starting my short remarks, it is possible and easy, I think, to obtain leave of the house to offer to the Solicitor General (Mr. Pennell) well deserved and quite appropriate congratulations for the excellent work he is doing in the discharge of his difficult duties. The Solicitor General performs with an unusual dash the difficult task which has been entrusted to him.

Mr. Chairman, before coming to the heart of the matter, may I be allowed to refer to a rather exceptional incident which occurred just a few days ago in this house, when an hon. member read to the house a certain message he had received, a quite mysterious message, the content of which it was hard to know. If, during consideration of the estimates of the Solicitor General, we have the right to talk about matters dealing with the implementation of the Criminal Code, I will say that I am quite in order when I mention that incident.

As evidenced by page 819 of the official report of June 1, 1967, the hon. member for Sainte-Marie (Mr. Valade) rose on a question of privilege and stated:

> On the envelope and in the letter—

Which was addressed to him.

> —abusive, slanderous and defamatory remarks had been written.

Mr. Chairman, section 249 of the Criminal Code says this:

> A person publishes a libel when he
>
> (a) exhibits it in public,
>
> (b) causes it to be read or seen, or
>
> (c) shows or delivers it, or causes it to be shown or delivered, with intent that it should be read or seen by the person whom it defames or by any other person.

The Acting Chairman (Mr. Richard): I do not wish to interrupt the hon. member without having listened to him a little, but I think that, at the present time, we are studying the estimates of the Solicitor General of Canada (Mr. Pennell). Furthermore, the case he refers to has been the subject of a question of privilege in the house and I fail to see how it could be connected with the estimates of the Solicitor General.

Some hon. Members: Hear, hear.

Mr. Choquette: Mr. Chairman, I am quite pleased with your remarks to which subscribe several members who have shown their approval by clapping. In fact, I think that you are perfectly right to wonder about the appropriateness of my remarks and their possible connection with the estimates of the Solicitor General.

However, Mr. Chairman, I conclude by saying that if someone is a victim of slander, especially a member of the House of Commons, I do not see why there should be any reluctance to ask the R.C.M.P. at a given time

to investigate in order to clear up the matter and determine, if necessary, who might have committed an offence under section 249 of the Criminal Code. It is in that sense that this matter is related to the estimates of the Solicitor General, because the hon. member for Sainte-Marie (Mr. Valade) is known to have made three blunders. First, he wrongfully attacked the hon. member for Saint-Henri (Mr. Lessard) and he had to withdraw. Secondly, he involved the sergeant-at-arms who was not there to defend himself. Thirdly, he actually repudiated a former Conservative minister by saying that the note he received was abusive, since it referred to an association between the hon. member for Sainte-Marie and that former Conservative minister.

The Acting Chairman (Mr. Richard): Order, please. I would ask the hon. member to observe the ruling I gave him. He has been demonstrating for some time that the issue he is dealing with is within the jurisdiction of the house and that it should have been discussed at the time it was debated in this house a few days ago. I cannot see how it can possibly be related to the estimates of the Solicitor General and I would ask the hon. member to submit to my ruling.

Mr. Choquette: Thank you very much, Mr. Chairman, for having, shall we say, redirected the discussion.

Such being the case, I shall proceed with other remarks while maintaining that the implementation of the Criminal Code has nevertheless some relation with the R.C.M.P., especially when a member is involved. Now, since the R.C.M.P. is under the Solicitor General, it is quite normal that on the discussion of his estimates, the Solicitor General should be asked whether there is a possibility to call on the R.C.M.P. to clarify a situation involving a member who claims to have been slandered in such a way as to cause irreparable blunders and create uncertainty involving the whole house, which makes us the actual victims thereof.

Mr. Chairman, here are the comments I would like to make.

First, would it be possible to ask the hon. Solicitor General to find out how far the federal government could go in trying to have the provinces—notwithstanding the possibility of an initiative on the part of the federal government—pass legislation to provide a compensation for the victims, for the families which are victims of criminals?

[Mr. Choquette.]

Mr. Chairman, when we hear most interesting speeches on both sides, we find that, in our modern society, we tend to stress the sadness of the fate of criminals. Needless to say, criminals are human beings and society has the right and the duty to be concerned about them and see how it can rehabilitate them; however, there are victims of criminals, families are grieved because one of their members has been attacked by criminals, and it seems that nobody cares about those people. One even gets the impression that publicity, movies, television programs and newspaper articles are so devised as to secure pity for the criminals. Consideration must always be given to the criminal, but the victims are forgotten. Often, we see films revealing the odious of the murderer being taken to the electric chair or to the gallows but leaving aside the pitiful situation in which are left, for instance, the wife and children of the policeman who was shot down by a criminal.

To create a new climate, let us say, I feel it is imperative that the government take the initiative of introducing a measure to grant an indemnity to the victims and the family of the victims of criminals.

• (9:10 p.m.)

The second remark I would like to make is the following. The Quebec government has set up a royal commission on the administration of justice. That commission, of course, deals with the recrudescence and the repression of crime and it will, of necessity, come to conclusions that will be worded in such a way as to suggest amendments to the Criminal Code.

So, I believe that if the federal government were to send an observer to follow the proceedings of that commission, it would be of great benefit for, if I may repeat myself, the report of that commission will surely contain urgent suggestions that the Criminal Code be amended in various regards.

My third point, Mr. Chairman, has to do the parole system. The director of the Quebec provincial police, Mr. Robert, who appeared a few weeks ago before the commission investigating the administration of justice in that province, expressed deep concern about the application of the parole policy and stated very strongly that in too many cases, too much haste is shown and decisions are taken without the cases being studied carefully, in other words, without enough thought being given to them. Moreover, barely a few days ago, a new judge of the Court of Sessions, who will sit in Quebec City, was appointed by

the provincial government. He is Judge Jean Grenier, who has a great deal of experience since he was for quite a long time crown attorney in Quebec city. At his swearing in ceremony, when he was called upon to deliver a short speech, Judge Grenier expressed serious apprehensions concerning the methods followed by the National Parole Board, and he also made an appeal for a more prudent course of action.

Mr. Chairman, I have another remark dealing this time with the commutation of the death penalty. The government clearly stated its intention to introduce legislation to abolish the death penalty. That legislation will obviously have to be quite different from the bill considered last year by the House of Commons, as it will have, if the debate is to be fruitful, to gain the support of the majority of the house and try to convince those who proved to be out-and-out retentionists durant last year's debate. Consequently, the new bill, whose exact terms are not known, will necessarily have to make certain concessions if it is to be adopted.

On the other hand, I wonder how the Senate will welcome the bill which the government proposes to introduce. If the Senate were to decide to reject the bill passed by the House of Commons, the cabinet would surely find itself in a difficult position, for the attitude of the majority of cabinet members in this respect is well known, and that is why it has been so very difficult for the cabinet to follow any other policy than that of successive commutations, which we have witnessed since the debate took place on the floor of the house.

For all practical purposes, Mr. Chairman, if the legislation were not passed by the House of Commons, I wonder if the government would not have to consider the possibility of creating a commutation court to free itself of that burden which is often a source of unpopularity. In fact, a Gallup poll conducted last year showed that most Canadian people were in favour of the maintenance of the death penalty. Then, each time it commutes a sentence, especially in such a horrible case as that of Dion, the government obviously assumes heavy responsibilities, even at the risk of becoming unpopular, because the majority of the people has approved the maintenance of the death penalty.

Now, if the legislation were not passed, I wonder why the creation of a commutation court could not be considered. I must add that it would in no way interfere with the royal prerogatives—because I would not want to fall into the same trap as my friend the hon. member for Carleton (Mr. Bell) and favour the abolition of all royal prerogatives—but it remains that section 658 of the Criminal Code reads as follows:

> Nothing in this act in any manner limits or affects Her Majesty's royal prerogative of mercy.

It would be quite possible to establish a commutation court and still leave to Her Majesty the Queen the power to commute death penalties; that would perhaps give a more definite meaning to the intention of the legislator who, in short, wanted to make this commutation system an exception rather than the general rule.

One last remark, Mr. Chairman. The Canadian Bill of Rights clearly provides that any prisoner has the right to know why he is being detained and also the right to get in touch with his lawyer. It has been proved, on several occasions, that some prisoners have been deprived of their right to get in touch with their lawyer because officials of the jail where they were kept, wanted to question them first before allowing them to communicate with anyone on the outside.

In my opinion, since that procedure, which is often followed, is incompatible with the Canadian Bill of Rights, it might be advisable to provide for a further offence in the Criminal Code in order to subject to a fine any police or peace officer who would infringe the clear and specific provisions of the Canadian Bill of Rights and to find them guilty of an offence on summary conviction for preventing a prisoner from communicating without delay with his lawyer.

These cases occur not only in Canada but elsewhere. One of my clients, Mr. Chairman, was kept in jail for three weeks for having stolen a shirt in Miami. He was denied the right to get in touch with the members of his family. Finally, after three weeks of detention, he was allowed to communicate with someone in the family, and advise his wife, who had been expecting him for three weeks, that he was in prison and was accused merely of having stolen a shirt. Thoses cases may occur elsewhere also, not only in Miami. I am convinced it happens often in our Canadian prisons.

Mr. Chairman, a serious study of the American system might also be indicated. I am not saying it could be applied in Canada, but it might be well to study that system under which no confession is valid unless it has been made in the presence of the attorney of the accused, of the prisoner.

These measures, I think, were adopted in the United States in order to prevent police brutality, for the police were ready to resort to any form of physical violence to extort a confession from a prisoner. I believe there were also some very bad cases in the province of Quebec. Therefore, I wonder whether, in that context, it might not be worthwhile to make a thorough study of the American system which declares invalid all confessions made by the accused in the absence of his attorney.

These are the few remarks I wished to make, Mr. Chairman, I wonder if, in closing, I might be allowed to reiterate my great admiration for the minister and to congratulate him again on his excellent performance of his duties.

• (9:20 p.m.)

[*English*]

Mr. McQuaid: Mr. Chairman, my comments this evening on the estimates of the minister will not be lengthy and will be confined to a plea to him and to the government to devise some way of giving financial assistance to the establishment within the provinces of adequate correctional facilities for short term offenders. I appreciate the fact that the responsibility for the establishment and continuation of local and county jails is purely that of the provinces, but I am afraid my experience in my own province convinces me that, at least in that province, these responsibilities are not being properly carried out. I believe the reason for this is mainly the lack of finances.

I do not think we should forget the fact that many more men pass through the doors of our county jails than ever come to our penitentiaries or other adult reform institutions. In fact almost all of those who do enventually come to our penitentiaries have first spent some time in the county jails. They have spent this time at a period during their sentence when influences are most deeply felt. For many of them it is their first offence and they are perhaps more emotionally disturbed then than at any other time. Perhaps they are passing through a time when they are more conscious of the treatment being afforded to them in the institution in which they are confined.

We must bear in mind that very few of the offenders whom we have in our county jails are what we might call hardened criminals. Many are there simply because of drinking problems, some minor offences such as common assault, impaired driving, causing disturbances and other offences in the same category. Very few of them can properly be described as criminal type offenders. We must not forget that within a very short time, because they are only short term offenders, these same people are going to be back on the streets after they have completed their term of imprisonment, and their conduct is going to affect you, me and every other citizen of this country. A great many of them are young offenders who, after their release, will be associating with teenagers on whom they are bound to have some influence. If they come out of these county jails embittered, as they probably will, against society and against the type of treatment they have received in the jails, then it is very doubtful if we are going to be able to rehabilitate them successfully.

In my view therefore this is the time when we should make sure that our correctional process is at work, that is when the young offenders are admitted to the county jails. It has been said, and I think quite correctly, that the county jail is the front door of our correctional system. But I am afraid that it is a very forbidding entrance. Let us not forget that prisons today are not hell holes. All inmates of prisons, particularly of county jails, are not vicious. All of them do not carry knives, and all of them live, breathe and die just the same as we do. They are entitled to a certain amount of kindness and proper treatment when they are confined for the first time.

I suggest that society should be most interested in the problems of the local jails because far too many people do not realize what is actually happening there. Not so long ago I was astounded to read some criticisms of the overcrowded conditions of our county jails right here in the province of Ontario. Absolutely no chance of correctional training and no opportunity to rehabilitate is given these inmates. They are simply places of incarceration. This is not as it should be. As I say, I realize this is a provincial responsibility, but I would urge the minister to do something to provide financial assistance to the provinces so they can set up what I would like to see set up in every province, that is jail farms.

Far too many of these short term offenders go to jail for a period of anywhere from a week to a year or two, loll around and have a good time. They are not expected to do anything. I am convinced that a jail farm for men who are sentenced for periods of at least seven days will be the answer to this problem.

This will be of benefit to them. I do not think there is a more serious morale breaker than to have men lying around with nothing to do. How in the world can we hope to rehabilitate somebody who has gone off the straight and narrow path by throwing him into a jail, letting him lie around in his cell playing cards, smoking cigarettes, telling stories all day and not being asked or required to do any work? I suggest that this is not as it should be. Unfortunately the provinces by themselves—and here I speak of my province in particular—cannot afford to set up a jail farm within the confines of the province. Instead of that, they have small county jails which are far from adequate and which are certainly not doing a good job so far as the rehabilitation of the offender is concerned.

I therefore urge the minister and the government to give some consideration to the granting of financial assistance to the provinces so that institutions of the type I have mentioned can be set up and properly staffed, not by men who perhaps have sufficient political influence to have themselves appointed as guards or guardians in these institutions but by properly trained men who know how to handle prisoners even though they are only short term offenders. The prisoners should be put to work and given a real chance to rehabilitate themselves. If that is done, the rate of recidivism among the offenders in county jails will not be so high and this will eventually reduce the number of offenders who go into our penitentiaries, and cut down the cost of the maintenance and upkeep of the penitentiaries all across the country.

• (9:30 p.m.)

[*Translation*]

Mr. Lachance: Mr. Chairman, I also have some short remarks to make to the Solicitor General.

I have already dealt with the matter during the debate on the address in reply to the speech from the throne, namely the matter of rehabilitation of prisoners.

It seems that this subject is in order tonight. Indeed, most members raised this question and I appreciated particularly the remarks on maximum security penitentiaries.

But there is also the matter of the abolition of capital punishment. I have dealt with this matter in the past. I know, like the hon. member for Lotbinière (Mr. Choquette) just said, and like other members of this house, that there will be introduced government legislation in this regard, and I can already see the ardent supporters of abolition trying to bow and scrape in every way and to make all sorts of compromises to push it through.

Personally, I have already made it clear and it is duly reported in the official report that I voted last year in favour of maintaining the death penalty. Mr. Chairman, for the government bill to have any chance of carrying—and the hon. member for Lotbinière noted it quite rightly a while ago—the government, I feel, must make concessions and seek a compromise, possibly as follows: "the condemned will have to spend, say, 20 years in jail, in the penitentiary;" or again: "they shall never be liberated except under an order in council". Those are compromises, ramshackle solutions.

I think that if the government brings down excellent legislation on prisoner rehabilitation in our penitentiaries, it might catch the ear of the members of the House of Commons. To my mind, the most important legislation is one that will enable the prisoner to be restored to society. I am thinking mostly of the prisoners, not of those condemned for capital murder, because I do not see how it could be agreed to liberate these people before, say, ten years.

I think that, after ten years behind the bars of a penitentiary, it is difficult for a man to find a place in society, at a time when this society is moving and progressing very rapidly.

However, I think of those who are sent to the penitentiary for two, three, four or five years. Those people are likely to relapse if they are not provided with all the means necessary for their rehabilitation. Moreover, it is a loss for the Canadian manpower and economy. It is even a nightmare for society, because they become a burden for their families and also, obviously, for society, from an economic point of view. Indeed, we must take care of these people who, very often, relapse and return to the penitentiary. We must also provide for their families through all kinds of social security measures.

I think that the government should propose legislation that would enable those people to educate themselves while they are detained as prisoners. There is evidence that the majority of people who are sentenced to penitentiary have a rather low I.Q., which leads us to believe that they were not free to make up their mind about their future. They are at about the same level as 13 or 14 year old students who have to make up their minds about their profession or their trade.

Therefore, we should have the necessary personnel and equipment in our penitentiaries to help them find a profession or trade which, apart from providing them with the necessary training, would bring them a hope that they might be useful to society upon their release.

In fact, those people have no hope of rehabilitation, and this brings me to the point I want to stress tonight. Since the government is introducing a bill to abolish the death penalty, I consider that it should not leave it to the humble members of this house to propose a measure to do away with judicial records, whether after two or after five years. Personally, I think that they should never be kept more than five years although, shall we say, no less than two. If the government proposed a progressive measure in this field, those who thought last year that they were voting for the maintenance of the capital punishment could very well, this year, in view of a new penitentiary policy, change their mind and support the government project.

I humbly submit that it would be offensive for the intelligence of the members to introduce a bill to abolish capital punishment without bringing forward complete and comprehensive legislation to rehabilitate prisoners in penitentiaries.

These are the few observations I wished to make, Mr. Chairman. I know that the hon. Solicitor General of Canada (Mr. Pennell) is dedicated to the abolition of capital punishment. I would like him to become converted, to come around my way of thinking in this connection—shared indeed by many hon. members—so as to introduce adequate legislation that would truly rehabilitate the prisoners in our penitentiaries.

• (9:40 p.m.)

[*English*]

Mr. Howard: Mr. Chairman, about eight or nine years ago I believe there was a correctional planning committee appointed which made a rather detailed report to the then minister of justice. I think perhaps the change in the attitude toward the operation of penitentiaries came at about that time and also at the time, or perhaps a little bit later, when Mr. Macleod became commissioner of penitentiaries. I think a fair amount of credit is due to the foresight of Mr. MacLeod and his staff and to the correctional planning committee for having charted a general and progressive course—when one takes that course in its historical perspective—for changes in the penitentiary system, the concept of that system and its administration.

This does not mean that everything is rosy and sweet and that we do not need further progress or alterations. As the commissioner would be the first to say, changes in this field take place more slowly, perhaps, and for a variety of reasons, than changes in most other fields in which the government is involved. That is so partly because government—not this government, but any government—moves to a great extent through public pressure. The penitentiary service I am sure is subject to the least amount of pressure, probably because the public is not much concerned about the operation of penitentiaries, except at times of riots or similar circumstances when the penitentiaries are brought to the public's attention. I shall say more about that later.

I listened with great interest to the statement of the minister about criminality and the increase of it. Increased criminal activity is not confined to Canada but is taking place in other countries of the world also. This is an extremely serious matter which cannot be coped with by an evening's discussion in parliament. It involves the attitude of society and an extensive examination of it. It involves the morals and ethics of society rather than law enforcement or the like. Not long ago we were presented with a report on juvenile delinquency, which is only one aspect of the serious problem of criminality in the country, and though the report had taken a long time to prepare, and though we had examined the question in depth and made proposals, nothing stemming from the report is yet before the house in any legislative form. I suppose that this pattern must be followed in dealing with the general question the Solicitor General raised. Only so long as there is a public consciousness and desire to deal with the matter, and only so long as we can develop sufficient public concern about it, so that the Solicitor General's position in cabinet is buttressed as much as possible, have we any hope for success.

I contend what I have contended on other occasions. For a variety of reasons which I will not repeat at the moment but which I am sure the Solicitor General understands and appreciates, as do so many others, a great deal of our effort in this field must be directed to the younger people, to those in their teens. There are problems connected with the matter too, one of them running contrary perhaps to any doctrine that might be taught in any school dealing with law, penology or

sociology. The basic approach to infraction of the law is one of punishment. That is the underlying principle in our criminal law. Punishment is for the crime, and it is set within the bounds of the discretion of a court. Relatively little concern is shown to the individual who may have committed a crime. Most often the punishment takes the form of a jail sentence. Despite the changes which have taken place in the last seven or eight years, the basis of our penitentiary system has been one of custody. We keep the individual locked up for the period determined by the court. With the exception of parole and amnesty, the purpose of the penitentiary system is to keep the individual in custody for the period determined by the court.

Though rehabilitation has been mentioned on a number of occasions this evening, within the penitentiary service to a great extent it is given lip service only. It is a nice word; it sounds good, but the efforts that are being directed toward accomplishing it are not as great as we should like to see. That is partly because we are stuck with the concept of custody, of keeping a person locked up for the period the court has decided, and partly because it will take time to overcome a concept that is ingrained in the whole penitentiary staff structure. The mental attitude of the personnel in penitentiaries must be reoriented to the concept of rehabilitation. Any such attempts are hampered because the penitentiaries themselves are of archaic construction. I understand that we inherited part of Kingston penitentiary at confederation, 100 years ago. Institutions such as this and institutions such as the maximum security prison of St. Vincent de Paul defy attempts at rehabilitation, except in unusual instances, where the greatest effort for rehabilitation comes from the individual inmate himself and not from the staff personnel or those connected with the penitentiary service.

Any prison that is built purely for custody, the staff of which is oriented around that concept and which has been operated in past years on the principle that inmates are to be incarcerated, denies the opportunity for rehabilitation to have full sway. Yet it is on rehabilitation that our efforts should be concentrated.

We think of people in penitentiaries learning something that will fit them for some activity after their release; but such activity is relatively minor and what is taught I submit is outdated. It is possible in the penitentiary to learn how to wash socks and launder sheets, to sew up mail bags—if they still do that—to make chairs, sweep floors, cook, and so on. A great deal of the work done by inmates is to make the penitentiary function. Even those trades that are taught and that are geared to the traditional crafts in the construction industry, such as bricklaying, machinists trades, and so on, are needed in lesser degree, and blacksmithing, which is also taught, is not needed at all. In teaching such trades inmates are learning trades which by their very nature are becoming less and less valuable in our economy. I think that only in one penitentiary in British Columbia which I visited, as I recall, within the last few years, did I see a piece of electronic equipment. This was designed to give a few people an understanding of the working of a television system, or a television set.

• (9:50 p.m.)

The whole force of our economy at this moment lies in the field of technological advance and change. Coupled with this there is the factor of age itself. We know we are asking a great deal when we ask a person aged 45 or 50 to change his course and follow an occupation altogether different from the one in which he has been trained; and even if he does this he might find it difficult to find employers ready to employ a man in his middle years. We have geared our "learn a trade" approach in the penitentiaries to occupations which do not really provide the individuals concerned with much of a chance when they do get out.

The purpose of penitentiaries should primarily be to prepare the individual for the day when he is released. This is not being done at present, and with all respect to the desires of the individuals who are running the service, and with all respect to the intensity and sincerity of the Solicitor General I must say there are too many factors built into the system as it exists today which militate against giving this idea a fair chance.

There are hopeful signs, though, and we must take advantage of every one of them. One of the problems which confronts an inmate when he gets out is the simple question of money, or the lack of it—enough in his pocket to give him some freedom of movement so that he may locate himself in employment. I am not sure what amount of money is placed in the hands of an inmate released after a two year sentence; I think it is a minimum of $25 or $30. If this is so, the amount he receives is not enough in today's society to give him any real mobility. As a

solution to this problem we might turn to the institutions themselves—gear the activities of some of the inmates and some of the facilities in a constructive way so as to produce some commodities or items which could be sold on the open market. This could not be done across the board, of course, because the services of many of the inmates are required in the administration of the penitentiaries themselves—without them, inmates would not be fed, clothed, and so on.

I realize that this suggestion will raise the question of convict labour, low cost labour and all the rest of it. It is supposed to represent a threat to free enterprise. But that is a lot of malarkey, considering we have about 7,000 people in the penitentiaries at the moment and that half of these could not be involved in the production side of what I have in mind. In any event, if the items were sold at the going price how could this interfere with the economic system? Of course, it would give rise to cries of protest—and these might come from the trade unions, too. But I do not think the criticism is valid. It would do a great deal of good if we were to produce something worth while in the penitentiaries and sell it on the open market, thus creating another source of income which could be used to the benefit of inmates as they were released. A portion of this income could be credited to the bank balances of inmates those who are required to work in administrative functions within the penitentiaries themselves, as well as those who take part directly in production.

We may have to subsidize this system as we do the present one. We now subsidize the whole structure of inmate work by paying inmates two bits or four bits a day depending on a man's stature within the system—how good or how bad he has been. The extra sum obtainable on release will help these men, and the individual may feel he is accomplishing something more worth while than he is at the moment.

The key factor is employment. We must concern ourselves with public enlightenment and especially with employer enlightenment. There are some employers who will go overboard to employ a person who has been an inmate of a penitentiary, or to employ a person who is on parole. But they are few in number. Many employers will refuse any employment to such persons on the grounds that they may steal something, presumably from the company, or give the company a bad name, or create difficulties among the other employees and so on. The reason varies with each company and with each individual.

None the less we must try to develop public enlightenment and secure acceptance by employers and trade unions of the idea that assistance must be given to these individuals whenever possible. One of the difficulties an inmate encounters on release is the impossibility of being bonded, as a result of which he loses the opportunity of taking up some kinds of employment. The bonding companies will not put up a bond. Here perhaps is a field for a government venture. Either the Solicitor General's department or the Department of Finance might set up a system of bonding which would take care of this situation and at least remove this obstacle.

I know, Mr. Chairman, that the hon. member for York-Humber rose to speak earlier, and since I have a few more remarks to make I wonder whether I might now call it ten o'clock? I see this debate is scheduled to be resumed tomorrow.

Mr. Pennell: Would the hon. member care to finish his remarks now, before the committee rises?

Mr. Howard: The hon. gentleman is very generous but I doubt that I should take advantage of his generosity. If anybody else wishes to speak that will be all right, but the hon. member has placed me in an embarrassing position.

Progress reported.

• (10:00 p.m.)

BUSINESS OF THE HOUSE

Mr. MacEachen: Mr. Speaker, we propose to continue with these estimates tomorrow, as was indicated some time ago, but in order to meet the convenience of I think two members of the house it may be that I will want to call the third reading of the bill to amend the Canadian Wheat Board Act before we start discussing estimates tomorrow.

Mr. Rapp: Mr. Speaker, could the house leader indicate the business for Thursday?

Mr. MacEachen: Mr. Speaker, I hope tomorrow to be able to announce the business of the house for the remainder of this week and next week, but I think the plan is to take legislative items on Thursday.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

LABOUR RELATIONS—PERMISSION TO C.B.C. EMPLOYEES TO JOIN UNION OF CHOICE

Mr. Alcide Simard (Lac-Saint-Jean): Mr. Speaker, may I be allowed to quote to the hon. Secretary of State (Miss LaMarsh), the question I directed to her on May 31 last:

> 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?

Why did I ask such a question of the hon. minister? Simply because Canada compels our labourers to join American unions which they do not want.

In fact, what is the C.L.R.B.? Would it not be about time to know the meaning of those mysterious letters which seem to have a right of life or death over the unions governing the C.B.C. employees? Why was that board granted such an authority that no higher authority can reverse its decisions? The Canadian Labour Relations Board is relatively young, since it dates back only to 1948; its ancestor was the Wartime Labour Relations Board, created in 1944, under the War Measures Act. In 1948, the War Measures Act went into oblivion and the government introduced a permanent legislation, namely the federal act on industrial relations under which the C.L.R.B. was established. The board is made up of nine persons: one chairman, four management representatives and four labour representatives.

Whatever the authority given to the C.L.R.B. by the government, the workers and the employees of the C.B.C. do not want a union which was imposed upon them by the C.L.R.B. an official agency completely dedicated to government interests; the employees of the national broadcasting and television network want and ask for free unionism but they reject any idea or any attempt to impose unionism. The Canadian Bill of Rights grants them that precise, unquestionable and inalienable right.

The thousands of workers scattered throughout the country will no longer accept not to be able to choose their unions or to be members of unions which they do not want. Needless to add that these same workers in the civil service do not want to be dictated to by unions that they do not know at all or well enough. We cannot remain much longer indifferent about the fate of thousands of workers who want freedom of association; nobody, not even the present government or all the future governments can issue this challenge to the face of our trade unions. Not one organization in Canada, be it the most authorized, has the right to dictate to our workers the type of union to which they must subscribe, be it coast to coast.

On behalf of trade unions and all public bodies concerned, I wish, Mr. Speaker, to take position openly and denounce, in this house, the omnipotence acquired by certain government organizations, as has so well been written by the hon. member for Montreal-Hochelaga (Mr. Pelletier) in an editorial published on April 15, 1967.

That is a striking example of the way our bureaucracy goes about getting from governments more and more money and powers to control the administration almost completely.

Those statements illustrate very well how a great number of senior officials operate to build for themselves small empires within the public service, how the bureaucrats gradually take over, how it is that, at times, ministers are paralysed and must follow the policies laid down by the technocrats.

That situation prevails unfortunately at the federal and provincial levels and, in some cases, at the municipal level. Such a state of affairs can only lower the status of the ministers and members of parliament and alter completely the role of democracy, which is that those elected by the people should govern. That is where the danger lies. It is high time to react against that increasing administrative dictatorship.

[*English*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the hon. gentleman has referred to the authority and function of the Canada Labour Relations Board. In doing so he has entered into a very wide field which affects the determination of bargaining units and the certification of the bargaining agent by the Canada Labour Relations Board.

The authority which is being exercised by that board is one granted to it by the parliament of Canada. This is a technique which I feel is used in all the provinces of Canada and the United States in order to arrive at decisions with regard to bargaining units and the certification of bargaining units.

I understand from his previous question that the hon. gentleman is concerned about the application of the employees of the French network for certification as a bargaining agent. As my hon. friend knows, that is a

matter which now is under consideration by the Canada Labour Relations Board. I understand that hearings have been held before the board through the system of simultaneous translation which is employed by the board and that all interested parties have had an opportunity to be heard. The Canada Labour Relations Board I understand will be handing down its decision in respect of this particular case in the very near future.

NATURAL GAS—SOUTHWESTERN ONTARIO—DAMAGE CAUSED BY PIPE LINE CONSTRUCTION

Mr. J. G. Lind (Middlesex East): Mr. Speaker, I should like to discuss with the Minister of Energy, Mines and Resources an order MO-11-67 by the National Energy Board on May 30 last, which gave Interprovincial Pipe Line Company the right to loop certain portions of their pipe line in southwestern Ontario, namely where it affects the lands and rights of farmers in Middlesex county.

The company has given an undertaking to the National Energy Board that the company will take the necessary steps to ensure that its pipe line does not interfere with any existing future or unplanned municipal drainage systems. They have also given an undertaking that they will not interfere with any future private drainage systems. If this pipe line should interfere with any of these systems, they would, at their own expense, lower their pipe line at the request of the municipality or the farmer, so that the pipe line would not interfere with the drainage system.

• (10:10 p.m.)

As you must realize, the machines engaged in laying this pipe line do a great deal of damage to the surface of the land over which they operate. I should like the minister's assurance that the Interprovincial Pipe Line Company will preserve the top soil, by removing it first and, after the pipe line is laid, replace it so that the farmer will be able to reseed the area traversed by the pipe line and obtain satisfactory production from this land. After land has been compacted by the traversing over it of heavy equipment, bulldozers, trucks, and heavy industrial equipment which are necessary to lay this pipe line, the farmer must be assurred that the surface soil and general conditions of the rights-of-way will be such that these crossings will in no way interfere with the crop production on the property.

[Mr. MacEachen.]

The farmer must also be assured that the pipe line companies, if their lines should traverse other than on their rights-of-way, are prepared to settle, giving full compensation for all damages to existing crops. The reason I am raising this point is because the Interprovincial Pipe Line Company, when the last pipe line was constructed across the farms in southwestern Ontario, did so with little regard for the rights of these farmers. The company failed in the past to make complete and adequate compensation to the farmers for damage to crops and existing drainage systems and have refused to compensate the individual farmers for their losses. These losses were due to surface damage to existing crops, compaction of the soil and leaving the right-of-way in a condition that caused the farmer additional expense to return the surface to normal production. Then, the pipe line interfered with existing farm drains. The damage to farm drains does not always appear immediately, but might develop after a year or two.

I maintain it is the Interprovincial Pipe Line's responsibility to repair these farm drains immediately when trouble develops and for five years after the laying of the pipe line along this right-of-way. You may say that the company has given an undertaking to do all these things, but our farmers want the assurance that all past damage and future damage due to the crossing of their farms by this pipe line, will be settled without loss to the individual farmer.

It was my understanding that the right-of-way which crosses the farmer's fields would be distinctly marked, but that it is not fenced. The farmer still has the right to crop this land. As the pipe line crosses from field to field, often the construction companies damage the existing fence lines. The farmer has every right to expect, and the National Energy Board has a right to insist, that these fences be replaced in as good condition as they were when the construction was begun by the Interprovincial Pipe Line Company.

I should also like to point out to the minister that farmers, having to provide pasture for their herds in other locations during the construction, should be given consideration. As you realize, farm fences are erected to keep livestock within confined areas, and any interference with these confined areas costs the farmer time and money. Therefore I should like the assurance of the minister that he will bring these points to the attention of the National Energy Board so that the farmers of Middlesex county and southwestern

Ontario will be fully compensated for their losses due to the crossing of their lands by the Interprovincial Pipe Line Company.

Further, Mr. Minister, all crossings of township or county roads should be carried out to the satisfaction of the township road superintendent or the county engineer. Where a pumping station is located near existing dwellings, I would urge the minister to request the board to insist that the Interprovincial Pipe Line Company take all necessary precautions to reduce the noise factor so that our residents will be assured that they will not be disturbed by the continual thumping of their pumps.

I would appreciate it if the minister would give the farmers of Middlesex county his assurance that the Interprovincial Pipe Line Company will be fair, and not take advantage of them. These people are the backbone of our society and they have every right to demand fair and equitable treatment from the Interprovincial Pipe Line Company when the lines cross their properties. Mr. Minister, all I am asking is that you insist that the National Energy Board see to it that these farmers are justly and honestly compensated for the inconvenience caused by the laying of the pipe line.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, it is often said that ministers should not be technicians. Tonight I wish I knew more about law, about farming and about pipe lines in order adequately to answer my friend the hon. member for Middlesex East (Mr. Lind).

I could of course answer simply by saying that I will bring his representations to the attention of the National Energy Board, but I presume this would not be entirely satisfactory to him. Legally, the farmers, in this instance are protected by section 64 of the National Energy Board Act, which provides as follows:

> A company shall, in the exercise of the powers granted by this act or a special act, do as little damage as possible, and shall make full compensation in the manner provided in this act and in a special act, to all persons interested, for all damage sustained by them by reason of the exercise of such powers.

So when damage occurs, there is recourse to the courts of this land. I understand, however, that the legal procedure may be time consuming and expensive, and consequently I think my hon. friend is right in attaching a great deal of importance to the conduct of the pipe line company. The hon. member has said that the company has accepted recently more responsibility than perhaps it had in the past in this respect. In the National Energy Board's recent decision some of these assumed responsibilities are clearly stated by the company, and I think this will be quite advantageous to the farmers concerned because they can now refer to these undertakings as coming from the company itself. It seems that the company is very eager to maintain good relations with the farming communities.

With respect to past damages in particular, the National Energy Board has no jurisdiction to re-open cases, but it considers that it can act as an intermediary between the farmers concerned and the company. The board has been doing this in the past and is doing it now in cases such as my hon. friend has in mind.

I will bring the representations of the hon. member to the attention of the board. There is no doubt that the hearing which took place in London at the beginning of May has been enlightening to everybody; and at the proper time, if minor amendments are needed to the National Energy Board Act we will give it our full attention.

NATIONAL HARBOURS BOARD—HALIFAX—PRACTICE FOLLOWED IN MAKING PROMOTIONS

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I am here at this hour of the evening to try to bring about some correction of a situation that exists in the port of Halifax. I will start by reading this telegram because I think it at least sets the tone of urgency; then I will state the background of the matter. This telegram says:

> The national harbours board hourly paid employees off work protesting national harbours board decision to promote a junior man ignoring a provision in the existing agreement that the senior man be given a thirty day trial period and also that salaried men now being used to do hourly paid work.

• (10:20 p.m.)

> This the men feel strongly about. Request every effort be made by you to help correct this situation.
>
> John J. Campbell
> ILA Vice President

The I.L.A. referred to is the International Longshoremen's Association.

There is little if any need for me to remind anyone in this house or in the minister's office of the very serious and grievous situation that has come to pass in the port of Halifax in the past shipping season. If it has not been the

worst on record, it is indeed so close to it that records fail to distinguish it. That this is so I think is a matter of record. The government continues to appear unconcerned. A special study on maritime transportation problems is now at long last before us, having been completed, as we understand, some time in February. We received it in June. Perhaps that is because it says nothing and offers no hope. Indeed it contains no solutions to problems in the port of Halifax, but what is much worse than that, it suggests there are no solutions.

Because many of us are not prepared to accept this as the final edict on the future of the port of Halifax, some of us think it is desirable that the public relations aspect of the port of Halifax be enhanced as much is humanly possible, and to this end the government must see, as the rest of us do, the desirability of clearing up the present situation.

Briefly, the dispute can be summed up in a few points. First, the dispute is over the interpretation of section F, article 3 of the working agreement between the government, the National Harbours Board and Local 1843 of the International Longshoremen's Association.

Second, the dispute deals with the right of the National Harbours Board to promote a junior man over a senior one.

Third, the work stoppage at the grain elevators in Halifax is now in its twelfth day.

Fourth, an agreement has been reached, because there is a certain degree of responsibility on the part of the working men, between the local and the National Harbours Board to permit the Nova Scotia poultry industry to secure the required feed for its livestock until the supply of other sources of feed can be arranged.

Fifth, the members of local 1843 agreed two days ago to stay off work and continue their picketing until such time as the matter is settled to their satisfaction.

Many events have occurred in the intervening time and I think some questions should be posed to the government, which I think the longshoremen involved and indeed all those concerned with the port of Halifax would like to hear answerd. The first one is: What is the position of the National Harbours Board in this matter? Second, are other feed sources being sought and secured to assist the Nova Scotia poultry industry? Third, why was there a departure from the normal procedure in this specific case? Fourth, what is the promotion policy in other N.H.B. ports and indeed all other ports in Canada over which the board has jurisdiction? Fifth, is it the intention of N.H.B. to continue to use so-called white collar workers or office workers in the loading operations of the grain elevators, and if so how long is the government prepared to go along with this?

Finally there are one or two observations which I should like to make. The members of local 1843 of I.L.A., and indeed all men on the waterfront and connected with the waterfront in Halifax, have always displayed a remarkable degree of responsibility. These people are aware of their role with regard to the government, and their responsibilities. I can see no departure from this position during the dispute which is presently occurring in Halifax. If the working agreement between the local and the National Harbours Board calls for a 30 day trial period of any promotion, it strikes me as very curious why this procedure was not followed. At stake is a $2 million poultry industry. Over the week end both the minister of agriculture for Nova Scotia and spokesmen for the industry expressed the grave fear that if some immediate action were not taken this poultry industry would be lost to the province of Nova Scotia. I suggest, Mr. Speaker, that this industry cannot be impaired. We cannot afford to lose it. I urge the government to take some remedial action and at least clarify the position of the National Harbours Board of Halifax.

Mr. Jack Davis (Parliamentary Secretary to Minister of Energy, Mines and Resources): I should like to express through you, Mr. Speaker, the regret of the Minister of Transport (Mr. Pickersgill) at the fact he is unable to be here tonight. I should like to stress the fact he is very much concerned about the situation as it is developing in the port of Halifax. I am very glad, in the few minutes available to me, to try to outline the position as it is seen by the National Harbours Board.

The Minister of Transport has been advised by the management of the National Harbours Board that the existing collective agreement with the international longshoremen's union is being respected. In other words, the board has offered to proceed with the grievance procedures provided by that agreement. In all the collective agreements with the National Harbours Board at all the ports of this country there is a provision for the promotion of qualified men. The procedure to be followed

if a union has a grievance about any promotion by the National Harbours Board is that, as a final step, a three-man appeal board is established. This board includes a representative of management, the National Harbours Board; of the union, in this case the international longshoremen's union; and a third member to be agreed upon jointly by management and the union.

The union exercised its right to use this final grievance procedure in December of last year. In that case, the appeal board ruled in favour of management and against the union objection. Probably this has some effect on the situation at the present time. In this particular case, the one under consideration at the moment, the union has not exercised its right to have a board of appeal appointed to deal with this case. This is the situation, despite the fact the National Harbours Board has offered to follow this same procedure of setting up a final board of appeal. This is the situation, as I am informed by the minister and by the National Harbours Board.

Motion agreed to and the house adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, June 7, 1967

The house met at 2.30 p.m.

[*Translation*]

NEW MEMBER

Mr. Speaker: I have the honour to inform the house that the Clerk of the House has received from the Chief Electoral Officer the election certificate of Mr. André Ouellet for the electoral constituency of Papineau.

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CHIEF OF MACNAB CLAN

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, might I take the liberty of pointing out to Your Honour that we have the privilege of having with us in the house today the chief of the clan Macnab, who has come here from his home in Scotland to help Canadians celebrate their centennial and in particular to help the people of the township of McNab in the great and sovereign county of Renfrew celebrate the centennial.

Some hon. Members: Hear, hear.

[*Translation*]

AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Herman Laverdière (Bellechasse) (for Mr. Whelan) moved that the first report of the standing committee on agriculture, forestry and rural development presented to the house on June 1, 1967 be concurred in.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, once again the first reports of the various committees being tabled include the request that their quorum be reduced. The same request has been made for several years and every time the Prime Minister (Mr. Pearson) or the government leader promise us that the committee procedure will be carefully reviewed, but it is never done.

The committee on agriculture, forestry and rural development is made up of 44 members and its quorum is 23. The chairman is now asking that it be reduced to 15, while some members of this house who do not sit on any committee could be appointed. However, the government prefers to have the quorum reduced.

• (2:40 p.m.)

Well, if we cannot find at least 23 members in this house who are interested in agricultural problems, then, what is the use of having that committee? Its quorum, according to standing orders, is 23 members, and we are asked to reduce it to 15. Why? Is it because we cannot find enough members who are interested in agriculture? Is it that not enough of them attend the meetings?

I maintain that attendance at committee meetings is far from satisfactory and that hon. members who are appointed to those committees, especially on the committee on agriculture, forestry and rural development, which is most important, are shirking their duty when they do not attend the meetings. Asking to reduce the quorum is no solution. Instead, committee members should be required to attend the meetings and show an interest in agricultural problems. If they cannot be present, they should ask for a change and make room for those who are interested. Many members of this house should be interested in agricultural problems, but not even 23 could be found to attend the meetings, and that is what I am protesting against. I object to this motion, I am voting against it, because I figure that if we are unable to gather 23 members to attend to committee meetings, it means that most hon. members do not take their role seriously, and that they are not really interested in agricultural matters.

Mr. Speaker, I am not the only one in this house who is not a member of any committee. My hon. colleague the member for Sherbrooke (Mr. Allard) does not belong to any committee either. We take interest in the work of the house, we are willing to be on those committees, particularly on the agriculture, forestry and rural development committee, where very important problems are to be discussed, such as the problems involving eastern Quebec farmers and milk producers. The hon. member for Sherbrooke and I are not members of this committee. I say to the government leader in the house that if we

cannot find 23 members among those who are left to attend the sittings of the committee on agriculture, forestry and rural development, the hon. member for Sherbrooke and I shall go to maintain the quorum at 23 members and then I believe my colleague and myself will set an example and other members of the house will be cozened to attend the serious discussions and we will not be required to reduce the quorum to 15.

Mr. Speaker: Order please.

Mr. Grégoire: Mr. Speaker, that is my suggestion. I repeat, I am not a member of any committee at the present time nor is my colleague, the hon. member for Sherbrooke. There are many others who should be interested in the committee on agriculture, forestry and rural development. I know there are some who attend regularly, but I object to a reduction of the quorum to 15.

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, having heard the hon. member for Lapointe, I must say that if we had counted on the hon. member for Lapointe last week to reach a quorum, we would have had to go to Expo.

We must act more seriously, Mr. Speaker, and look at things as sincere and responsible men. We insist upon a quorum of 20 members out of 265 in the house, but we do not always have it, and for understandable reasons: it is because the house is in committee and we are discussing matters which do not interest all members.

That is the case precisely in the committee on agriculture, forestry and rural development which is necessarily the most important committee. If the committee, for instance, is considering a matter interesting the western provinces or a province in particular during two or three sittings, members from Quebec, Ontario or Nova Scotia cannot necessarily be blamed for not attending these sittings.

As a matter of fact, when the matter before the committee is of a general nature, when it concerns the whole of Canada, there is no trouble having a quorum; but when the matter is of interest to only one part of Canada, when it deals with agriculture for instance, then having a quorum is difficult.

Mr. Speaker, I would like to point out that we tried on three occasions to get a quorum at last and only after serious discussions was it agreed—I agreed to it myself—to reduce the quorum to 15. I submit that out of 45 members a quorum of 15 is still quite sufficient to discuss agriculture seriously. I insist on this especially when a specific matter of interest to only one part of Canada, if not to only one province, is considered. Then, should hon. members, who know nothing about the matter under consideration or have no interest in it, be obliged to attend two, three or four consecutive sittings?

Mr. Speaker, I think it is logical to ask the house—we have asked this several times —permission to reduce the quorum to 15, especially if we want to act as serious people and if one compares the required quorum to that of the house.

Why, I ask myself, do the members objecting to the reduction of this quorum not object to the quorum of the house, which is only 20 members and which I have always found ridiculous. Mr. Speaker, I think a quorum of 15 for the committee on agriculture forestry and rural development—and I know what I am talking about, Mr. Speaker—is reasonable and that we can still do serious work.

This does not mean, Mr. Speaker, that we shall always be 15 on the committee, no. If we look at the report of the committee we see that there are always between 25 and 30 members, but let the house give us at least permission to reduce this quorum to 15, so that we can work efficiently and stop canceling one meeting after the other.

Mr. Georges C. Lachance (Lafontaine): Mr. Speaker, in all fairness to hon. members, I think that the hon. member for Lapointe (Mr. Grégoire), who has been absent quite regularly from the house in recent months, is not aware that there are many other committees sitting at this time and that many other hon. members are busy attending those committee sittings.

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I believe that if we reduce the quorum from 23 to 15, we must take into account the views of the members concerned who are in a position, more than I am, to decide whether it is advisable to reduce the quorum or leave it as it is. But I want to take this opportunity to say that as an Independent in this house, where I must enjoy the same privileges—on a par with all other hon. members—I asked during the first session to be appointed to the committee on broadcasting, films and assistance to the arts. My application was accepted and then, without any reason and without consulting me, the government simply struck out my name.

Mr. Speaker, I do not think that the main problem is the question of setting the quorum at 23 or 15 members for the committee on agriculture, forestry and rural development. I believe that the government or the house leader should consult the hon. members at the beginning of a session in order to know who is interested in sitting on a given committee. Now, if the government proceeded in this way, some members would express their interest in a certain field and committees would then be able to count on a good attendance at meetings.

• (2:50 p.m.)

Personally, I take this opportunity to repeat publicly and officially my request to the government to be appointed to the committee on broadcasting, films and assistance to the arts, which I find most interesting.

And I do believe, Mr. Speaker, you can testify that since January 18, 1966, I have been among the most assiduous members in this house.

Some hon. Members: Oh, oh.

Mr. Allard: I hear the laughter of some Liberal members from Quebec who are often conspicuous by their absence.

Mr. Speaker: Order.

Mr. Allard: So, it is all very well to laugh, but I maintain that each week I have been one of the most assiduous members, and this for one year and a half.

Mr. Speaker: Order. Would the hon. member please resume his seat. I will remind the hon. member that he should restrict himself to the present motion.

Mr. Allard: I am only too willing, Mr. Speaker, if only some Liberal members from Quebec will just keep quiet and allow me to go on.

Over one year and a half, I have proved that I am very interested in the business of the house. I submitted official applications to you, Mr. Speaker, to the house leader, to the whip of the Liberal party (Mr. Pilon), to the right hon. Prime Minister (Mr. Pearson), and my requests for appointment to the committee in which I am highly interested were not considered.

If the government agreed to heed the wishes of hon. members to sit on such and such a committee, we would not have all those requests to reduce the quorum from 25 to 15, as we have had in the last few months.

We would have on these committees members interested in sitting on them and they would share in the work on such committees.

I hope the government will heed my request during this second session. I am here to work. I want to do my share in the work of parliament, not only in this house but in committee. It is my right and the people of Sherbrooke constituency expect the government to give me the opportunity to work in the parliamentary committees.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, the fact that the committee asked for a reduction in its quorum at its organization meeting is in my opinion an indication that the standing orders, which were approved only two years ago, are improperly formulated and therefore should be changed to reduce the quorum of the committee to whatever the members agree is a fair and reasonable number. It is quite true that a committee should be able occasionally to reduce its quorum for a specific purpose when events make it necessary, but the fact that the members of the committee asked for a reduction in the quorum at the very first meeting of the committee indicates that our standing orders are not in keeping with the wishes of the members.

Therefore I am opposed to the motion which proposes to reduce the quorum of the committee, because I believe that our standing orders and the practice of the house are not synonymous. I believe the standing orders should be changed to designate whatever quorum the members consider to be reasonable. This is what we should do, rather than decide on the quorum of a committee on an ad hoc basis every time the committee meets.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, three short reasons why the motion should carry.

First, the agriculture committee met two days ago and we had a quorum of 23. It was unanimously decided to reduce the quorum to 15.

Second, the quorum of 23 members represents a higher quorum than that of the House of Commons, which is not quite normal.

Third, by bringing down the quorum to 15 members, the agriculture committee would still have the largest number, the highest quorum. That is why I feel we should pass the motion. In closing, I say that if every

member owned a luxurious yacht, to spend four days at Expo, we could probably reduce the quorum even more.

[*English*]

Mr. Frank Howard (Skeena): Mr. Speaker, it is obvious from some of the comments that have been made that the motion before us is only a symptom and that something far more serious is behind it, namely the concern of members about the size of committees and of this one in particular, which has 45 members. In view of the fact that the committee admits that its members do not have sufficient interest to attend its meetings, since it had to meet three times before a quorum was assembled, I believe we should consider the advisability of reducing the quorum of the committee to a reasonable number such as 10 or 12, which would enable it to work more efficiently and would obviate the need of members having to ask each time for a reduction in the quorum.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: On division.

Mr. Speaker: All those in favour please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. I declare the motion carried on division.

Motion agreed to on division.

[*Translation*]

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

AMENDMENTS RESPECTING POWERS OF BOARD AND CHAIRMAN

Mr. Maurice Allard (Sherbrooke) moved for leave to introduce Bill No. 128, to amend the Industrial Relations and Disputes Investigation Act (Powers of Chairman and of the Board).

Some hon. Members: Explain.

Mr. Allard: Mr. Speaker, the purpose of this bill is to enable the chairman of the Canada Labour Relations Board to make a ruling alone when a dispute arises between two or several unions seeking a negotiating agent certificate.

[Mr. Choquette.]

During the discussion of this bill, it will also be suggested that the chairman of the C.L.R.B. be bilingual.

Motion agreed to and bill read the first time.

[*English*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*REQUEST FOR WINTER WORKS POLICY 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?

[*Translation*]

Hon. Jean Marchand (Minister of Manpower and Immigration): 1. The timing of decisions about the Municipal Winter Works Incentive Program must be related to the purpose of the program, which is to help to stabilize construction employment through the year.

2. The government of Canada will make known its intentions for the 1967-68 winter at the earliest date that is possible, in relation to the purpose of the program.

[*English*]

COLOUR TELEVISION SYSTEMS

Question No. 57—**Mr. McCleave:**

1. What colour television systems were considered for use in Canada?

2. What were the comparative cost factors of each system and of colour television sets, which receive each?

3. Which of the systems is more readily recordable on video tape?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. The following colour television systems were considered: N.T.S.C., (U.S.A.); SECAM III, (France); PAL, (Federal Republic of Germany).

2. (a) The system cost factors considered for the three systems were: Network transmissions and distribution; Station transmitters; Video tape recording.

The N.T.S.C. system, due to its more stringent technical requirements, is the most costly in terms of the three factors above. The SECAM III system is the most tolerant of deficiencies in the performance of systems and equipment and can, therefore, utilize

less costly facilities for recording and distribution. PAL is intermediate in the above respects between N.T.S.C. and SECAM III.

(b) The cost factors of colour television sets for the three systems relate solely to the techniques of recovering colour information from the composite colour television signal. N.T.S.C. receivers are the least costly to manufacture, SECAM III costs slightly more, with PAL being the most costly.

Signals of one colour system can be transcoded into another system. Due to the costs involved, transcoding can be achieved only at the studio, along the transmission network, or at station transmitters. Receivers designed specifically for one colour system cannot successfully receive colour TV signals from another system.

3. SECAM III colour signals are most readily recordable on video tape, utilizing standard black and white recording machines. N.T.S.C. and PAL colour signals require auxiliary colour equipment for recording. A video tape recorded from one system can be used with another system by the use of transcoding techniques.

DISPOSAL OF HARBOURS BOARD LAND, VANCOUVER

Question No. 65—**Mr. Douglas:**

1. Has any land been leased or sold by the National Harbours Board in Vancouver to Harbour Park Developments Ltd. and, if so, how much land is involved in any such lease or sale?

2. If leased, what is the annual lease rental per square foot?

3. Is this rental rate subject to review and, if so, what is the basis upon which any rate adjustment is negotiated?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows:

1. Yes. Lease of water lot comprising 808,024 square feet for term of 63 years.

2. 1st year, 3.62365 cents per square foot. Next 20 years at 6 cents per square foot. Next 14 years at 14 cents per square foot.

Balance of term at rate to be determined by formula as follows: For years 1999 to 2006 at such rates reflecting such increase or decrease in the above 14 cent rate as represented by the relationship of the average shelter index factor for the year commencing October 1, 1998 to the average of the shelter index factors for the period October 1, 1981 to September 30, 1988.

For each of the remaining three seven-year periods at such annual rentals as fixed by the board.

3. See answer to part 2.

DEVELOPMENT PLAN FOR TROIS-RIVIÈRES PORT

Question No. 87—**Mr. Mongrain:**

Did the Department of Transport by itself or through the National Harbours Board prepare a definite project for the development of the port of Trois-Rivières covering the next ten or fifteen years or any other period of time?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: apart from its normal studies of future requirements at all its harbours, the National Harbours Board has taken steps to secure engineering data necessary for the full development of plans for the expansion of port facilities at Trois-Rivières to meet any anticipated demands.

EXTERNAL AFFAIRS EMPLOYMENT OF UNIVERSITY STUDENTS

Question No. 92—**Mr. McKinley:**

How many university students and university graduates have been employed during 1966 and 1967 by the Department of External Affairs, and (a) how many of those employed were bilingual (b) how many were not bilingual?

Hon. Paul Martin (Secretary of State for External Affairs): Please refer to starred question No. 2,762, asked by Mr. McKinley on March 14, 1967, answered in the *Hansard* of May 8, 1967.

FAMILY ALLOWANCE APPLICATIONS FOR INDIAN CHILDREN

Question No. 103—**Mr. Orlikow:**

1. Are applications for family allowances on behalf of Indian children made directly by the parents to the appropriate officials of the Department of National Health and Welfare, or are they made by or through the staff of the Department of Indian Affairs and Northern Development?

2. If they are made through the staff of the Department of Indian Affairs and Northern Development, what is the reason for this procedure, and by what law or regulation is this policy followed?

3. Are family allowances forms for Indians different than the regular forms used for all other Canadians, and, if so, in what way are they different, and what are the reasons for these differences?

Questions

4. Can Indians obtain these forms for family allowances anywhere else than from the Indian agent and, if not, what act or regulation authorizes this restriction?

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. In the large majority of cases applications for family allowances are made directly to the Department of National Health and Welfare. In the remainder, they are made through the Department of Indian Affairs and Northern Development.

2. The Indian bands whose members apply directly for family allowances to the Department of National Health and Welfare are those where this procedure has been recommended to the Department of National Health and Welfare by the Department of Indian Affairs and Northern Development. It is expected that all Indian bands will eventually be included in these arrangements. The other method has been retained for certain bands as a means of assistance to their members. Either method is permitted under the family allowances regulations.

3. The forms used by those Indians who apply for family allowances through the Department of Indian Affairs and Northern Development are different from those used by Indians who apply directly and by non-Indians. The colour is different so that they may be readily distinguished for administrative purposes. There are other minor differences to allow for the provision of certain identifying information such as the band name and number.

4. The forms described in 3 are available to Indians through the Department of Indian Affairs and Northern Development only. The reason is for the convenience of the Indians. The relevant authority is contained in the family allowances regulations.

TRENT CANAL RENOVATION

Question No. 108—**Mr. Scott (Victoria (Ont.)):**

1. What plans, if any, are there for renovation of facilities along the Trent canal system?

2. Which sections of the Trent canal system, if any, are going to be renovated?

3. Will any such renovations be carried out in 1967?

4. If so, what is the anticipated expenditure?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Long range planning calls for the renovation or modernization of all the facilities along the Trent canal.

[Mr. Orlikow.]

2. Work is progressing or planned for all sections of the Trent canal system.

3. Yes.

4. $2,501,000.

TRENT CANAL TRAFFIC

Question No. 109—**Mr. Scott (Victoria (Ont.)):**

1. What was the volume of traffic on the Trent canal system in 1964, 1965 and 1966?

2. What is the anticipated volume of traffic in 1967?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport):

	Craft lockages
1. Traffic 1964	112,233
" 1965	117,931
" 1966	129,971
2. Traffic 1967 (forecast)	142,000

*FOREST FIRES

Question No. 134—**Mr. Mather:**

1. What was the number of forest fires in Canada in 1964 and in 1965?

2. How many of such fires are estimated to have been caused by smoking?

[*Translation*]

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): The first part of the answer, Mr. Speaker:

1964—6,944

1965—7,238

The second part of the answer:

1964—1,546

1965—1,686

[*English*]

MOTIONS FOR PAPERS

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, notices of motion for the production of papers numbers 9, 10 and 11 are acceptable to the government, subject to the usual reservations concerning confidential documents and the agreement of the provincial government authorities concerned.

Would Your Honour kindly call notices of motions Nos. 2, 3, 7 and 12? I ask that the others be allowed to stand.

CONTRACT FOR TAXI SERVICE, OTTAWA STATION

Motion No. 2—**Mr. Cowan:**

That an order of the house do issue for a copy of any contract entered into concerning taxi service to and from the Ottawa railway station, since January 1, 1966.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, there is no such contract in the possession of the government. Therefore I would hope the hon. member would be willing to drop the motion.

Mr. Cowan: This matter is too important to be dropped upon such a request.

Mr. Speaker: The motion is transferred for debate.

LOWER FRASER RIVER FLOOD CONTROL

Motion No. 3—**Mr. Knowles (for Mr. Mather):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of all correspondence between the federal government, provincial governments, municipal governments and federal, provincial and municipal organizations or agencies concerning lower Fraser river flood control proposals and their financing, and copies of all correspondence between the federal government and organizations and individuals concerning the lower Fraser river 1967 flood potential.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): This motion is acceptable upon three conditions. The first is the usual reservation as to privileged documents and provincial consent; the second condition would be an understanding that the motion applies only to documents within the last two years; and the third condition would be that it applies only to federal-provincial and federal-municipal communications, not to provincial-municipal communications. I had a conversation with the hon. member on that subject and I believe he will agree.

Mr. Knowles: I can confirm that, Mr. Speaker.

Mr. Speaker: Subject to the reservation just expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

REPORT OF INTERDEPARTMENTAL COMMITTEE ON INDIAN TREATIES

Motion No. 7—**Mr. Howard:**

That an order of the house do issue for a copy of the report of the interdepartmental committee which was announced by Hon. J. R. Nicholson (Minister of Citizenship and Immigration) in the House of Commons on March 29, 1965 and was established to conduct a comparative study of the promises contained in the various Indian treaties and surrenders as related to the laws respecting game and fish.

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, the request by the hon. member deals with a report which was made to myself and other ministers concerned. Since it is a privileged document I cannot agree to the motion, but I think the hon. member might be satisfied if I told him that these are very important matters dealing with Indian rights so we intend to make a synopsis of the findings and distribute it to all members of the house.

Mr. Howard: Following that statement, Mr. Speaker, I would be prepared to withdraw the motion subject to my opportunity to compare the synopsis with the original document, and my right to return the motion to the order paper.

Mr. Speaker: Motion dropped.

Order discharged and motion dropped.

COMMUNITY PASTURES, ALBERTA

Motion No. 9—**Mr. Ormiston:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of the exchange of correspondence between the government of Canada and the province of Alberta since June 1, 1963, concerning the development of community pastures.

Motion agreed to.

COMMUNITY PASTURES, BRITISH COLUMBIA

Motion No. 10—**Mr. Ormiston:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of the exchange of correspondence between the government of Canada and the province of British Columbia since June 1, 1963, concerning the development of community pastures.

Motion agreed to.

COMMUNITY PASTURES, SASKATCHEWAN

Motion No. 11—**Mr. Ormiston:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of the exchange of correspondence between the government of Canada and the province of Saskatchewan since June 1, 1963, concerning the development of community pastures.

Motion agreed to.

FEDERALLY ASSISTED SCHOOL MILK PROGRAM

Motion No. 12—**Mr. Ormiston:**

That an humble address be presented to His Excellency praying that he will cause to be laid

before this house copies of the exchange of correspondence between the government of Canada and the provincial governments since September 1, 1965, concerning a federally assisted school milk program.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, with regard to No. 12—

Mr. Speaker: Order. There is a request that this notice of motion be allowed to stand.

Some hon. Members: Agreed.

Motion stands.

EXTERNAL AFFAIRS

COMPLIANCE WITH UNITED NATIONS SECURITY COUNCIL CEASE FIRE ORDER

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, may I give thanks to the C.T.V., which last night gave three hours of prime time to the proceedings and vote of the security council, with the remarks afterward of President Johnson also being made available to Canadians served by the C.T.V. network. As a result of yesterday's meeting and the cease fire that was ordered and directed by the security council, is the government in a position to say whether any action has been taken in this connection by either Israel or the U.A.R. and those associated with the U.A.R.?

At the same time would the minister give us his observations on the serious situation created by the attitude of the Soviet union which, in demanding a cease fire, threatened to break off diplomatic relations with Israel unless the cease fire were immediately accepted?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, with regard to the last portion of my right hon. friend's question, while one may regret such consequences I think my hon. friend will agree that this is a matter beyond the control of the government of Canada. It is a matter that can be determined only by the Soviet union itself.

With regard to the council meeting last night, as both my right hon. friend and the house know the government of Canada gave instructions to our ambassador at the United Nations to support the cease fire resolution which the security council unanimously adopted. The hope was expressed by him on behalf of the government that the parties concerned would comply with this cease fire appeal.

[Mr. Ormiston.]

The resolution calls upon the parties, as a first step, to take forthwith all measures for an immediate cease fire, and for a cessation of all military activities in the area. I should, of course, like to pay tribute to those who in conjunction with their governments negotiated this resolution. We hope that all members of the United Nations will now exercise their influence to bring the fighting to a halt.

The security council was called into session at noon today, when a proposal was made for a further decision by the council calling for implementation of the cease fire by 8 p.m. Greenwich mean time June 7. This resolution was also passed unanimously.

Mr. Diefenbaker: That would be what time here?

Mr. Martin (Essex East): I think four o'clock. After the passage of this resolution, on instructions from the Canadian government the Canadian ambassador tabled the following resolution:

The security council, noting resolutions S/7933 of June 6 and S/7940 of June 7, requests the president of the security council, with the assistance of the Secretary General, to take the necessary measures to bring about full and effective compliance with these resolutions.

As of the latest information I have, Mr. Speaker, that resolution is on the table but has not yet been discussed. A point of order has been raised asking that measures be taken with regard to the confirmatory resolution of today which was adopted, as I said a moment ago, by the members of the council.

Mr. Diefenbaker: Would the minister say what is the meaning of that latter resolution to which he refers? What are the measures that would be taken, or what are the measures in contemplation by the proposers of that motion?

Mr. Martin (Essex East): Mr. Speaker, the Canadian government had in mind that it might be desirable, as has been observed in other similar situations, for someone representing the president and/or the Secretary General to go to the area to assist in making arrangements to give effect to the terms of the Security Council resolution. I have the impression that the Secretary General himself has certain plans in mind, but I think at this stage it would be wrong for me to speak about these until he himself has made some statement.

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

question to the Secretary of State for External Affairs. While we are all pleased that the security council has issued an order for a cease fire and we all hope all the antagonists will comply, I should like to ask the Secretary of State for External Affairs where we go from here. If the cease fire is not merely to be a breathing spell for the antagonists to regroup their forces and procure reinforcements, some peace negotiations will be necessary. Is it the thought of the Canadian government that the security council will begin to promulgate such peace negotiations in the hope of bringing about a stable situation in the Middle East?

Mr. Martin (Essex East): That is our hope, of course, and this is partly what the government had in mind when it instructed our ambassador today to table the resolution he did.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, a further supplementary question to the Secretary of State for External Affairs. Have any of the combatant countries as yet complied with the order? There is the rumour that Jordan has done so.

Mr. Martin (Essex East): The Secretary General made a report on that at this afternoon's meeting, and said he had heard from General Bull, commander of the United Nations truce and supervisory organization, that he had had an approach from Jordan.

Mr. Douglas: Mr. Speaker, could I put a further supplementary question to the Secretary of State for External Affairs. Did I understand him to say that the Canadian representative had tabled a motion? If so could the minister read the motion to the house so we will be aware of the recommendation the Canadian representative is making?

Mr. Martin (Essex East): I did read the resolution, Mr. Speaker; it is now a matter of record. I read it a few moments ago. I am not trying to take advantage of my hon. friend; I did read it, but I will read it again:

> The security council, noting resolutions S/7933 of June 6 and S/7940 of June 7, requests the president of the security council, with the assistance of the Secretary General, to take the necessary measures to bring about full and effective compliance with these resolutions.

Mr. Douglas: Mr. Speaker, what I was asking the minister about was this. I followed the motion with reference to compliance, but I understood the minister to say in answer to my question that the Canadian government was taking some initiative in the matter of peace negotiations which would be proceeded with as soon as the cease fire had been brought into effect. Is any such motion being tabled by the Canadian delegate and, if so, what is the nature of that resolution?

Mr. Martin (Essex East): Mr. Speaker, my hon. friend will understand that these resolutions are tabled in the light of the consultations which take place with certain countries and also with the president and members of the secretariat. Beyond that I do not want to go now. But in addition—

Mr. Starr: You have not gone anywhere.

Mr. Martin (Essex East): I do not think I can be expected at this stage to do so, in view of the fact there is discussion taking place now on whether this resolution will be considered today. I have just been advised that notwithstanding what he said about half an hour ago, the delegate for Bulgaria agrees in principle with the Canadian resolution but asks for further time to study it. In addition, this morning the Prime Minister was in touch with certain other governments about matters not unrelated to the kind of question my hon. friend put to me a few moments ago.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I have a supplementary question. I refer to the report given out yesterday or the day before that as a protective measure the U.A.R. had closed the Suez canal. Is the canal still closed, or has it been reopened in recent hours?

Mr. Martin (Essex East): Mr. Speaker, I should like to take that question under advisement before giving a reply.

Hon. E. D. Fulton (Kamloops): May I ask the Secretary of State for External Affairs whether it is the view of the government of Canada that the strait of Tiran and the gulf of Aqaba should be open for passage by ships of all nations, and will the government press at the United Nations to have this position accepted and agreed upon by that body?

Mr. Martin (Essex East): When the Prime Minister spoke to this house, I think it was last Wednesday, he stated the view of the Canadian government with regard to the right of innocent passage in the strait of Tiran and I, in answer to questions on May 23 and May 24, called the attention of the house to the government's view with regard to this matter, reaffirming the statement made by the

Prime Minister in March 1957 with regard to this aspect of international law.

Mr. Fulton: Is it the intention of the government to give instructions to the Canadian ambassador at the United Nations to press for the recognition and guarantee by the United Nations of safe passage through these waters?

Mr. Martin (Essex East): As the Prime Minister said the other day, the first thing is to end the fighting. That is the purpose of the resolutions passed last night and today. Today's resolution was in simple terms. It does not involve the question raised by the hon. member in one way or the other, that is as to the rights and claims of the parties. Both resolutions were passed, of course, without prejudice to the rights and claims of the parties.

Mr. Fulton: Is it the intention of the government of Canada now to press in the United Nations for the acceptance of the right of free passage, and its guarantee by the United Nations?

Mr. Martin (Essex East): We have pressed this view in the United Nations, and we shall continue to do so.

[*Later:*]

Mr. Diefenbaker: A supplementary question with further reference to earlier questions directed to the Secretary of State for External Affairs. Once a cease fire has taken place, if it is acceptable to the various nations involved, there will be a number of political questions requiring attention. Is it the intention of the government of Canada to support the convening of the four great powers in the security council to bring about agreement in respect to those matters which will become of paramount importance once a cease fire has been agreed on?

Mr. Martin (Essex East): The right hon. gentleman will recall that last week the Prime Minister urged four permanent members of the security council to use their powerful influence and position as members of the security council to try to bring about arrangements which would avoid the outbreak of hostilities.

Later he urged the same four great powers to use their influence to help bring about a cease fire. I can say to my right hon. friend, and I would ask him not to press me further, that the Prime Minister today has been in touch with persons in one of the great power countries urging action along this line.

[Mr. Martin (Essex East).]

Mr. Diefenbaker: So that it will be perfectly clear, Mr. Speaker, the Prime Minister said as reported at page 1124 of *Hansard* for June 5 that he hoped the four great powers, the United Kingdom, the United States, France and the U.S.S.R. would realize they have a special responsibility, and added "I feel they perhaps should meet on a high political level." Is that the significance of the statement the minister has now made?

Mr. Martin (Essex East): I prefer at this time not to go into details, but I can say to my right hon. friend that the Prime Minister has been discussing a phase of this matter that is not inconsistent with what my right hon. friend has read out. I may say I am sure the country will join with me in the view that there is great significance in the fact that there has been consultation, in particular between the Soviet union and the United States, consultation that undoubtedly had much influence on the decision of the security council last night.

While I am on my feet I would like, I am sure on behalf of all of us in this house, as I said to the Indian high commissioner this morning and as I intimated to the Brazilian ambassador, to say that the sympathy of Canada goes out to India for the loss of ten men in the United Nations emergency force, and to Brazil for the loss of one Brazilian soldier. Canada, as one of the component members of the United Nations emergency force, fully appreciates the contribution that all members of that force have made to the preservation of peace over a period of ten and a half years. Our sympathy goes out very sincerely to these two countries.

Mr. Douglas: Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. In view of the fact that the security council has ordered the cease fire, could we be assured that the Canadian government's position will be that that body, having ordered a cease fire, has some responsibility for sponsoring peace negotiations and placing its guarantees and prestige behind any agreed settlement?

Mr. Martin (Essex East): I certainly can give that assurance, and this was the tenor of the concluding remarks of our ambassador last night at the security council, when he quoted words uttered in this house by the Prime Minister to the effect that measures must now be taken to meet the causes of friction and hostility in the Middle East, so that we would not be called on again in

another decade to deal with the regrettable situation that has confronted the world in the past three weeks.

[*Later:*]

Mr. J. M. Forrestall (Halifax): Mr. Speaker, supplementary to a question asked earlier of the Secretary of State for External Affairs, can the minister advise the house whether, in the event of failure, we do have contingency plans to return our forces to the troubled area in the Middle East?

FLOODS

COLUMBIA RIVER—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the honourable and gallant Minister of Industry. What co-operation from the federal government can the city of Trail and other communities on the Columbia river expect in combating the rapidly rising waters of the Columbia river?

An hon. Member: The High Arrow dam.

Hon. C. M. Drury (Minister of Industry): I thank the hon. member for having given me preliminary notice of this question. In reply to his very courteous inquiry may I say he is probably aware that the federal emergency measures organization is in constant touch with the flood situation in British Columbia, as well as with the provincial authorities. Under our present constitutional arrangements, requests for federal government assistance must originate with the provincial government.

I can assure the hon. member, however, that the federal government is fully aware of the danger of this situation and has mobilized the resources which it has available in order to meet any emergency which might arise, should a request be forthcoming from the provincial government.

Mr. Deachman: Is it not the case that the High Arrow dam constructed on the Columbia river will minimize—

Some hon. Members: Oh.

Mr. Speaker: Order.

[*Translation*]

VOCATIONAL AND TECHNICAL TRAINING

INQUIRY AS TO IMPLEMENTATION OF AGREEMENT

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration.

Is the federal-provincial agreement on technical and vocational training in force at the present time, so that adults may avail themselves of the training they need?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, we are continuing under the old agreement until such time as the workers who are attending a course have finished their training and others actually start to come into operation.

Mr. Caouette: A supplementary question, Mr. Speaker. Could the minister tell us when training courses to further permanent education will be established, as he promised not so very long ago?

Mr. Speaker: Order. I think that the supplementary question should be placed on the order paper.

[*English*]

SHIPPING

CHURCHILL—INQUIRY AS TO GRAIN SHIPMENTS

On the orders of the day:

Mr. Robert Simpson (Churchill): I wish to direct a question to the Minister of Trade and Commerce. Is the minister in a position to inform the house concerning anticipated grain shipments through the port of Churchill this year in comparison with last year's exports through the northern Manitoba seaport?

Hon. Robert Winters (Minister of Trade and Commerce): I can only say that the wheat board has been doing very good work in encouraging shipments through the port of Churchill. I believe this year's movement is now assured at about the same level as last year's and, of course, we will continue to strive to improve the position.

GRAIN

WHEAT—INQUIRY AS TO RATIFICATION OF NEW INTERNATIONAL AGREEMENT

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): I too have a question to ask the Minister of Trade

and Commerce. It concerns the international wheat agreement. I should like to know whether formal ratification will be necessary by all the signatories to that agreement, and whether such ratification will be forthcoming before the new agreement is due to come into effect.

Hon. Robert Winters (Minister of Trade and Commerce): Canada together with several other interested countries did ask the chairman of the international wheat council to convene a meeting, and he has now called a special session of the council to open in London on June 19. The purpose is to make arrangements for the revision or renegotiation of the present international wheat agreement. This will provide an opportunity for elaborating and extending the grain agreement concluded in the Kennedy round, for associating other countries with this agreement, and for bringing it into effective operation as soon as possible.

OIL

POSSIBLE INCREASED EXPORTS DUE TO EVENTS IN MIDDLE EAST

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I should like to ask the Minister of Energy, Mines and Resources whether, in view of the declaration made by several countries in the Middle East—Kuwait, Libya, Saudi Arabia and others—that shipments of oil to the United States and the United Kingdom are to be stopped, he can advise the house what action if any has been taken to accelerate deliveries of Canadian oil into positions where it could satisfy emergency requirements.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): I can only say that all necessary measures are being taken by the National Energy Board and by the interdepartmental committee on energy to do that.

Mr. Eldon M. Woolliams (Bow River): Has there been any discussion with the governments of Great Britain and the United States with reference to exports of petroleum, and has the Canadian government taken an initiative in this regard?

Mr. Pepin: I am aware of conversations in this regard at least with the United States.

Mr. Woolliams: I wonder whether the minister is now in a position to report anything in connection with the question I asked some days ago about a possible oil pipe line to tap the Chicago market.

Mr. Pepin: I answered that question last week, Mr. Speaker.

IMMIGRATION

CHARGES AGAINST CHINESE ACCUSED OF ILLEGAL ENTRY

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Solicitor General and ask whether he would mind looking into the situation whereby Royal Canadian Mounted Police officers are laying charges against people of Chinese origin for entering this country illegally or under improper names. If he finds that this is so, will he take steps to see that this practice ceases?

Mr. Speaker: Order. The hon. member is making a submission. That is not a question.

INCOME TAX

EXCESSIVE PAPER WORK IN MAKING DEDUCTIONS FOR PART TIME HELP

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, may I direct a question to the Minister of National Revenue and President of the Treasury Board. Can the minister advise the house what progress has been made toward relieving farmers, particularly fruit, vegetable and tobacco farmers, from the excessive amount of paper work that is required in making all the deductions when paying part time help?

Mr. Speaker: Order. The hon. member is asking for a statement which should not be given by way of answer to a question at this time.

Mr. Hales: Mr. Speaker, I wonder if I could beg your indulgence in this matter. It is a timely question because of the season that is at hand, and I think the minister was about to make an announcement either in the house or outside it.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, perhaps I should make the announcement in the house. One of the things that has been done is that the former limitations for reporting income on T4's by farmers and all businessmen in Canada have been reverted to. Unless income tax and pension plan deductions are made, T4's do not

have to be made out for persons earning under $250.

Mr. Speaker: Order. I suggest this type of statement could be made on motions rather than by way of an answer to a question.

CANADIAN BROADCASTING CORPORATION

PETER TRUEMAN—COMPLIMENTS ON COMMENTARY ON "VIEWPOINT"

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Secretary of State I wonder if the Prime Minister would be good enough to deliver two bouquets, one to the C.B.C. for putting Peter Trueman on "Viewpoint" last night, the other to Peter Trueman for his very refreshing comments.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I shall be very glad to transmit my hon. friend's words to the C.B.C.

Mr. Knowles: With a carbon copy to Christopher Young.

AGRICULTURE

PERMISSION TO SPRAY FOR BOTH WEED AND PEST CONTROL

On the orders of the day:

Mr. Lawrence Watson (Assiniboia): Mr. Speaker, I would like to direct a question to the Minister of Agriculture or, if the matter does not come under his jurisdiction, to the Minister of Transport. Will the minister assure the house that the applications for exemptions of flying farmers, now being made to the Air Transport Board, will allow farmers with aircraft to spray for weed control this current spraying season as in previous years, and not only for pest control as outlined on the applications?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I am not too certain that this comes under my jurisdiction. I will certainly support any applications that farmers, flying or otherwise, make, but I think this comes under the authority of the Board of Transport Commissioners.

SPORTS

HOCKEY—POSSIBLE CONTRAVENTION OF BILL OF RIGHTS OR COMBINES LEGISLATION

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I would like to direct a question to the Prime Minister which affects the individual freedom of a former member of this house. Has the Prime Minister or the government received any representation from or on behalf of Leonard "Red" Kelly, regarding the archaic and serfdom-like rules of the National Hockey League which permit Canadian citizens to be sold and traded like chattels despite their personal wishes? If so, can the Prime Minister assure the house that the government has plans to commission a study to ascertain whether such regulations contravene the Canadian Bill of Rights, and thus demand legal action?

Mr. Speaker: Order, please. Even though the right hon. Prime Minister seems anxious to reply to the question I feel it is not the type of question that should be asked at this time.

The hon. member for Richmond-Wolfe.

Mr. Asselin (Richmond-Wolfe): Mr. Speaker, I intended to ask the same type of question of the Solicitor General.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Minister of Justice. Is consideration being given by his department to amending the anti-combines legislation to include service industries such as hockey, in order to prevent the kind of situation to which my colleague from Danforth referred?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, this question should properly be addressed to the Registrar General.

EXTERNAL AFFAIRS

NIGERIA—INQUIRY AS TO SAFETY OF CANADIANS

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs. Has he any information he could give the house regarding the safety of Canadians in Nigeria?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, with regard to the situation in Nigeria I can say there are military movements but there is no evidence of military conflict. Canada has made arrangements with the British high commission in eastern Nigeria for the evacuation of Canadian citizens along with citizens of the United Kingdom.

Inquiries of the Ministry

INDUSTRY

SYDNEY, N.S.—POSSIBLE MEETINGS WITH OFFICIALS OF DOSCO

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, may I direct a question to the Minister of Industry, and ask him if he is in a position today to reply to the question I posed on Monday, which in his unavoidable absence was taken as notice by the Minister of Public Works, with reference to whether any representations had been made by Mr. Drury, the president of DOSCO, for a hearing with the minister's department or any of his officials, regarding the situation at the Sydney steel plant and the large scale lay-offs there?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, no representations were made to me, by Mr. Drury, the president of DOSCO, but early in May, about the 8th or 9th, I did have a meeting with two senior officials of DOSCO, Mr. Stephens and Mr. Moloughney, to discuss the circumstance in which DOSCO is finding itself as a consequence of the prevailing low prices for spot steel on the world market. We did examine the possibility of further initiative which might be taken in respect of the export market. I also undertook to have inquiries made to see whether there was any question of dumping of their particular products. As the hon. member has noted, since then the Export Credit Insurance Corporation has provided assistance in securing export contracts for rails to Mexico and an inquiry is under way in respect of the possibility of dumping.

Mr. Muir (Cape Breton North and Victoria): I have a supplementary question, Mr. Speaker.

Mr. Speaker: Order. I wonder whether the hon. member might ask his supplementary question tomorrow because we have already exceeded the time allotted to questions this afternoon.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I rise on a point of order. The members from Cape Breton Island have continually been cut off when making representations about the economic situation in Cape Breton. I think when questions about hockey players have been permitted, it is time we were permitted to ask questions concerning the workers of Cape Breton.

[Mr. Martin (Essex East).]

Mr. Speaker: The hon. member will note that those questions were permitted but that the answers were not permitted.

Mr. Muir (Cape Breton North and Victoria): Mr. Speaker—

Mr. Speaker: The hon. member will have to rise on another point of order, because the hon. member for Cape Breton South has failed to establish that he had a valid point of order.

Mr. Muir (Cape Breton North and Victoria): I am rising on a point of order, Mr. Speaker, which is not connected with the point of order raised by the hon. member for Cape Breton South. Certainly there would not be any continuity to the question if it were let go for another period of time. That is the point of order, and the only reason I rise at this time.

Mr. Speaker: Of course if members of the house are in agreement I will allow the hon. member to pursue the matter and ask his supplementary question.

Some hon. Members: Agreed.

Mr. Muir (Cape Breton North and Victoria): Thank you, Mr. Speaker, and also members of the house. In view of the fact that just prior to the provincial election the federal cabinet representative from Nova Scotia intimated that there was a good future for steel at Sydney, does the minister agree with this impression?

Mr. Speaker: Order. Orders of the day.

• (3:40 p.m.)

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DESIGNATION OF MINISTER, POWERS OF BOARD, ETC.

Hon. Robert Winters (Minister of Trade and Commerce) moved the third reading of Bill No. C-106, to amend the Canadian Wheat Board Act.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I will not detain the house for long. I thank the Minister of Trade and Commerce (Mr. Winters) for his courtesy and consideration in making possible the adjournment in order that I might speak. I should like to say to the minister that he is one who has endeavoured at all times to uphold and preserve the amenities of the house. The manner in which he does so is a model for some of those who sit close to him.

The bill before the house is a comparatively simple one. In general the provisions are first, that "minister" means such member of the Queen's Privy Council as is designated to act as the minister for the purposes of this act. Second, and more important, the powers of the Canadian Wheat Board which otherwise would terminate on August 1 will be continued indefinitely and become a permanent part of the law of this land. I would not have spoken had the minister not permitted himself the luxury of endeavouring to rewrite history in certain particulars. Conversion is always a matter for commendation. Prior to the minister's occupying that position views were expressed by other members of the Liberal government not in keeping with those spoken by him. It is well to recognize that for the first time through the years there is widespread commendation for the Canadian Wheat Board, which in the past was unable to mobilize the approval or support of succeeding Liberal administrations.

One could go back to 1917 when the first board was brought into effect under a Conservative government. In 1921, when Right Hon. Mackenzie King assumed the position of prime minister, the wheat board died a natural death. I do not intend to read from *Hansard* unless I am asked to do so, but in 1935 Right Hon. R. B. Bennett introduced wheat board legislation. It is interesting to read the debates of those early days, beginning on July 1 that year, when the late Hon. J. L. Ralston, while leading the Liberal party in words of condemnation, refused to vote against the legislation and gave approval to the wheat board act.

Today the wheat board is receiving widespread commendation and properly so. It has been the greatest single stabilizing factor in the economy of western Canada and of Canada as a whole. When the Liberal party came into power in 1935 it promptly in effect ditched the board. History cannot be rewritten because the government feels these things should be forgotten. The board was dead as soon as the Liberal party came into power in 1935. It was only a question of allowing it the privilege of dying by inches. These things are not to be forgotten.

I accept the minister's sincere adherence to the wheat board, but as he spoke I felt he should be reminded of other days. His arrival in the present government has brought hope to those who believe in the wheat board.

• (3:50 p.m.)

When we were in office we took measures to benefit the western farmer, but not at the expense of other parts of Canada. For years under Liberalism the west was the forgotten part of Canada. If anyone on the government side, including the Minister of Agriculture (Mr. Greene), would contradict that, I call as my witness the premier of Saskatchewan. Over and over again he has reiterated that during the Conservative administration western Canada was raised economically to a level reasonably equal with that of other parts of Canada.

We remember over and over again asking the Liberal governments of Mr. King and Mr. St. Laurent to provide loans on farm stored grain. They said it could not be done. The farmers had piles of wheat.

Mr. Rapp: Nine hundred million bushels.

Mr. Diefenbaker: The attitude of Right Hon. C. D. Howe was that, after all, if other countries wanted wheat, they could come for it.

We provided immediate loans on farm stored wheat, and that turned the piles of wheat into money for the farmer. We brought in acreage payments. Today on every hand, as I found when I was out west a few days ago, the farmers are saying, regardless of political considerations, that those payments which have been stopped since this government came in, benefited the western farmer and Canada as a whole. Our policies when we were in office, changed wheat from a glut to an asset.

I should not have mentioned these things at all had the minister not made certain statements which, though they are entirely correct so far as details are concerned, had the effect of leaving a wrong impression, unintentionally. It was simply rewriting history. I point this out to the minister: You cannot sell the idea to the western farmer that any other government but the Conservative government I had the honour to head, would have sold the same amount of wheat. You cannot sell the farmer an idea simply by naming a dam in the province of Saskatchewan after one who did not bring the wheat sales about.

Mr. McIntosh: They did not give a dam.

Mr. Diefenbaker: I am sure the Minister of Agriculture must have had something to do with naming of the dam. He was in western Canada. He knows the west. I say this to him: He ought not to go back and tell them his

reasons for what he did in that connection, unless he expects a warmer reception than he had the last time.

An hon. Member: The west knows you, Joe.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I remember the days when the Liberal party did not think that Saskatchewan was worth a dam. We brought about the payments for farm stored wheat, and we opened a new hope for agriculture in western Canada.

Now, when speaking of the sale of wheat, the minister says that nearly half of Canada's wheat and flour exports are shipped to Sino-Soviet countries, to most of which it is necessary to extend credit in order to do business. The policy of selling wheat with government assistance was implemented 15 years ago when 5.5 million bushels were sold to Yugoslavia. That was 5.5 million bushels. I remember so well, when we said that arrangements were being made to guarantee the sale of wheat to China, that members of the Liberal party—and those members do not sit opposite any more, they are gone—got up and said that it was ridiculous. At that time the President of the United States said, "You are not going to sell wheat to communist China." That is what he told me.

An hon. Member: He said it was treason.

Mr. Diefenbaker: I pointed out that Canada's policies would be determined here and not in Massachusetts, or even in Boston. But the hon. gentlemen sitting opposite ridiculed the idea.

I have before me the Searle weekly report No. 13 dated Monday, December 12, 1966. The letter observes:

—"important as it may ultimately prove to be, it would be a mistake at this stage to regard Canada's sale of a single cargo of No. 3 Northern wheat to communist China as anything more than an interesting development".

Had the government of which I had the honour to be the head not decided that one could trust the communist Chinese to repay their debts, there never would have been any wheat sales to communist China. Someone suggested that we had taken a tremendous chance. My experience over the years in the ordinary affairs of business and law convinced me that when a Chinese gave his word, he kept it. That view affected the sale by the wheat board. Had a Liberal government been in office there never would have been that sale. The Liberals opposed it; they ridiculed it; they condemned it. I heard them saying not only in the house but over the radio how ridiculous the sale was. Heresy has now become orthodoxy. As the minister said, half of our wheat and flour goes to Sino-Soviet countries.

The minister also mentioned other countries such as Yugoslavia, Bulgaria, Hungary, East Germany, and mainland China. These countries represent a market for over 20 per cent of our total exports. Mainland China, under long term agreements, is the second largest purchaser in the world of Canadian wheat. I am glad that this government has followed the course that it has followed. What it condemned it now accepts. The illegitimate child—that is how they regarded the wheat sales to communist China—in the intervening years has had established for it by the minister the paternity of the Liberal party. I thought that I ought to set the record clear in this regard.

• (4:00 p.m.)

I should like the Minister of Agriculture in particular to bear in mind when he visits the western prairies that he should not try telling the farmers the fiction that he or his government had anything to do with the sale of western wheat. If he does, all I can say is that his pastures will not be "greene". I have reviewed the redemption of the Liberal party in this regard. The wheat board was condemned in 1935. The Liberal party, through Mr. Mackenzie King, a western representative from Prince Albert, took the stand that the wheat board should not operate more than one year in advance. They succeeded in securing an amendment to that effect because the legislation had to be carried out. They had in mind, when giving it support in July, 1935, that they would torpedo it at the first opportunity—and they did.

The sales of wheat that have been made and the contribution by the wheat board in securing markets have given hope to the western farmers. They have not forgotten, though, that while 21 cents is the maximum increase in the price of wheat under the new international agreement, two years ago 17 cents was cut off their price. The result is that the wheat farmers of Saskatchewan, Alberta and Manitoba received an income in those two years of about $190 million less than they would have received because of the action of this government.

Some hon. Members: Shame.

Mr. Diefenbaker: Today the price goes up 4 cents over and above the 17 cents that was cut off. What has happened in the intervening period? There are high prices for agricultural implements and for the things the farmer has to buy. Agricultural prosperity has been eroded by inflation. Farm machinery prices have gone up in the last three years to an extent that beggars description in adequate terms. Action is necessary.

Mention was made today by the hon. member for Churchill (Mr. Simpson) of the facilities at that port. The minister said we will ship as much this year as was shipped last year, according to present forecasts. That is not enough. Churchill is not being utilized as it should be. The great interests in Montreal and Vancouver are opposed to the adequate use of Churchill. Adequate use of the facilities there would give the western farmer several cents a bushel more than he is receiving today, because of the reduced cost of transportation. The hon. member for Churchill has fought this battle, as yet unsuccessfully. I hope the minister will give the assurance, not that we will ship through Churchill as much as was shipped last year but that we will ship at least 20 million bushels more than have ever been shipped through that port.

The wheat situation is just part of the larger picture. I mentioned the increased prices of farm implements. The hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) has asked for action in this connection, but the minister, looking Lincolnesque, I am told, has not taken action.

Mr. Winters: Are you referring to me?

Mr. Diefenbaker: No, I am referring to the Minister of Agriculture. The Minister of Trade and Commerce (Mr. Winters) wins the prize for pulchritude. The minister misunderstood me; he looks like Errol Flynn.

Mr. Winters: I hope not.

Mr. Diefenbaker: I was directing my remarks to the Minister of Agriculture and suggesting that action should be taken. Recently we saw the farmers visiting parliament, kept outside of parliament. I suggest to the minister that he had better get, not a report on farm implement prices, but action.

Mr. Muir (Cape Breton North and Victoria): He had better get cracking.

Mr. Diefenbaker: The farmers of Canada are being bled by the unjust prices charged today by the farm implement corporations. That is clear and definite. If the minister has any doubts about that and would contradict it, I give him the opportunity to do so. He cannot deny the fact that regardless of the increased cost of production, farm machinery prices today bear no direct relationship in equity to those costs.

Now I come to one or two other suggestions, and I shall be brief, Mr. Speaker. This is a segment of the plan for improving agriculture and ensuring a fair deal for the farmer. I should like to see the establishment of a federal marketing board, or boards, in conjunction with the departments of agriculture of the provinces. Many who opposed the wheat board as being a dangerous intrusion into private business have today become worshippers of the wheat board.

I should like to see the establishment across this country of boards similar to the wheat board. I should like to see action in that regard to provide a sensible marketing system for the eastern dairy farmer. We have proven through the wheat board what can be done. I remember the beginnings of the board in western Canada. As a boy I attended a small school where for the first time the idea was put forward by certain farmers that something could be done, and they formed what they called a farmers institute. That was in 1907. One of the things they asked for was that the farmers have some control over the marketing of their wheat, and also some protection, which they did not then have, against the inequities perpetrated against them. This has now been achieved through the medium of the wheat board.

I realize that there will be some disagreement with regard to what I am about to say. The minister has the power to include flax and rye under the wheat board without any action of parliament. These two cereals should be treated under the wheat board. At the same time I would suggest that farmers should be able to sell by private sale those products which are under the wheat board. Two weeks ago I raised with the minister the question of the shortage of oats and barley in Manitoba. He produced statistics which indicated that there was no particular shortage. However, I find that the oats and barley which were in shortage were mainly those not available for feed. Therefore the argument that I was making at that time for a release from the provisions of the Canadian Wheat Board Act so that farmers may dispose privately of a certain portion of their oats and

barley for feed purposes would indeed be generally welcomed by the western farmers.

• (4:10 p.m.)

Finally I wish to say that this is all part of the picture. One cannot say the wheat board is an entity by itself, and everything is well. When we were in office we brought about a system of technical schools of which the hon. member for Ontario (Mr. Starr) was the proponent. This has now been phased out. Under that plan 75 per cent of the cost of construction was paid by the federal authorities. I would like to see assistance given in all parts of Canada for the establishment of agricultural colleges so that the training will be available to more and more Canadians who want to stay on the farms, and a similar plan established whereby the federal government would contribute 75 per cent of the costs. This would not only make avaliable increased knowledge to those who otherwise would be denied it, but would also encourage research which would be of tremendous benefit to the farmers in all parts of Canada.

There are many other matters with which I would have dealt but I will not do so because I said I would not take long. I will conclude by saying to the minister that I am very happy the Liberal party has now embraced the principle which we advanced in sales of wheat to communist countries. I belong to those who are not impressed by the argument that the sale of wheat is the sale of a strategic material. We must use our tremendous potentialities in agriculture in Canada to help feed the world. We cannot do that by accepting the suggestion, which was advanced by the Liberal party between 1958 and 1963, that sales of wheat to communist countries should not take place.

Mr. Speaker, making the legislation permanent does not of course mean that it is permanent; it can be changed any time. But it will not be changed so long as there are farmers and wheat producers who are aware of the benefits which flow from the wheat board act.

Mr. Ed. Schreyer (Springfield): Mr. Speaker, it is always interesting to listen to the right hon. Leader of the Opposition (Mr. Diefenbaker), particularly when he is dealing with a subject matter which is as close to him and to the constituents he represents as is the Canadian Wheat Board. I may say that it is my own opinion that much of what has been related to us here this afternoon is accepted as a general consensus by most grain and wheat producers in western Canada, and I have no intention at this time of entering into any polemic with any hon. members to my right as to who deserves prime credit for the increased sales of wheat by the Canadian Wheat Board. However, I just want to say that much of the controversy which blew up about three years ago, at the time of the change of governments, regarding who merited special praise for the increased volume of sales by the wheat board, is due to a misunderstanding. I feel that even if the Canadian Wheat Board, acting on its own, had succeeded in negotiating a large and special sale, this would have come to nought had the government of the day not been prepared to make special credits available. My understanding is that the former administration was prepared to extend special credits by means of which the wheat board was then able to make large scale sale commitments to communist China.

Whether or not the then minister of agriculture had a very personal and individual role in that connection is still not clear to me and I do not think it is the prime point to be considered. The important point is whether the government at that time was prepared to make special credits or guarantees available. It did, and the sale was consummated. I believe that most people in the farming areas of western Canada understand this to be so. Certainly there can be no dispute about the fact to which the right hon. Leader of the Opposition made reference, that for years the preceding Liberal government refused to consider and implement any legislation to make available cash advances for farm stored grain. The 1950's were extraordinary years for many grain producers in western Canada. There was the problem of surpluses coupled with low prices, and certainly it was very necessary, because of the extraordinary problem facing these people, to bring in a program which would make cash advances available for farm stored grain. A special effort was required to cope with a special problem, and this was done. Governments cannot afford to act timidly and they do not have the right to evade unusual responsibilities when the times are unusually difficult, and certainly this criticism directed at members of the Liberal party is justified.

I do not want to say that there is nothing objectionable in Bill C-106. For the most part it deals with administrative changes in the organization and administration of the Canadian Wheat Board Act. I do not regard anything in it as being a change of substance. It is all procedural. Yet, if the minister and

his advisers had read with care the report of the parliamentary committee on agriculture, they would have found therein specific recommendations as to desirable changes that could be brought about within the operation of the Canadian Wheat Board. One has to do with the matter of bringing rye and flax under the purview of the board.

• (4:20 p.m.)

Mr. Winters: May I raise a point of order, Mr. Speaker, and I should like your ruling on this. It is my understanding that on third reading of a bill it is not possible, or at least it is not the custom, to introduce new matters of principle. These have been disposed of during the debate on second reading. If I interpret correctly what the hon. member is saying, he is asking us to broaden the principle of the bill in order to include items that were discussed and disposed of during the debate on second reading.

Mr. Schreyer: Speaking to the point of order, I just say that I am not suggesting the bill be amended in order to accommodate my proposals. I am merely expressing my regret that this has not been done. I believe this is in order, since the bill refers to grains coming under the jurisdiction of the wheat board. Unless your honour wishes to be very strict in the application of the rules, I feel I should be allowed to proceed.

Mr. Douglas: One of the procedures allowed on third reading is the moving of an amendment to refer a bill back to the committee of the whole with the instruction that a certain section be changed in certain particulars. My colleague is not proposing to move such an amendment, but the fact is anyone can move such an amendment. One could not move such an amendment without pointing out the discrepancies or deficiencies in the bill, and this is what the hon. member is doing. If one can move an amendment to send the bill back to correct certain deficiencies, then one is quite in order in discussing the deficiencies or discrepancies in the bill.

What my colleague is seeking to do is simply point out that, while he agrees with the provisions in the bill, he regrets that certain other provisions are not in it. I suggest to your honour that this type of discussion is within the provisions for debate on third reading.

Mr. Olson: In speaking to the point of order I should like to say that to attempt now to confine the debate on third reading to a strict interpretation of the rules, after the speech we just heard from the Leader of the Opposition (Mr. Diefenbaker) on subjects which have been raised at least 50 times, would not be proper. Surely at this stage anything goes.

Mr. Deputy Speaker: Perhaps I should point out to the hon. member for Springfield (Mr. Schreyer) that the debate on third reading of the bill can be similar to the debate on second reading. However, having once decided the principle of the bill, the debate on third reading is just a little more restricted than that on second reading.

Mr. Schreyer: I am aware of this. I was not sure of the rules respecting debate on third reading. I just took for granted that we would be allowed to make reference to almost any subject matter that comes under the jurisdiction of the Canadian Wheat Board. I have some further references to make to the subject matter of this bill.

I was saying that the effect of this bill really is to make certain procedural changes, but not any substantive changes, in the organization or administration by this board. I do feel that flax and rye, as I say, should have been put under the administration of the wheat board by legislation, since we have had repeated representations to that effect by various organizations and also had the opinion of the parliamentary committee on agriculture to the same effect.

Another matter which relates to the operation of the board has to do with the quota system presently in operation in the west and the ways in which it may be modified. It seems to me that the quota system really works to the disadvantage of the small and medium grain producers. If a means could be found somehow to make an adjustment in favour of the small and medium sized operators, it would sit well with a large number of producers in western Canada. I do not believe such a change would militate to any appreciable extent against the larger producers. Obviously, a change of this nature would affect them to some extent but not to the degree where they would find it painful or particularly disadvantageous. In this connection, I hope that the minister, his officials and the officials of the board will give consideration to the short run effect of such a change. I certainly hope that within the course of the next 12 months the board might find it possible to recommend such a change in operation, thereby making it easier for many small and medium sized grain producers on the prairies to conduct their operations.

I have one final question in connection with the bill and I believe it is in order to put it to the minister. It has to do with the schedule appended to the bill. I note that the explanatory note states that the schedule, containing a list of seed cleaning mills, feed mills and warehouses is a list of such facilities in existence as of March 1. Was this schedule reprinted since the debate on second reading? I gather from reading the reports of the debate on second reading of the bill that the schedule setting out a list of flour mills, seed cleaning mills and so on was considerably out of date.

Since the date of March 1, 1967 has been left in the bill, I must presume, unless the minister tells me otherwise, that the list has been reprinted. I do not know whether the bill was reprinted, but I assume it has been. I did not take advantage of the opportunity to speak on second reading of this Bill No. C-106, and that is the reason I am making these remarks now.

There is one other matter I should like to raise with the minister. I do not apologize for doing so, even though he may suspect I am infringing on the rules somewhat. I am referring to the responsibility of the board, perhaps more particularly of this government, concerning the need for supporting some research, some testing and some improvement of our transportation facilities as they relate to the handling and transport of grain to domestic markets outside the prairies and to export positions. All of the evidence which the committee was able to gather during its deliberations and its trip to Vancouver and the prairies last winter seemed to indicate that some of our grain moving methods and some of our facilities were getting out of date. Specific suggestions were made with regard to the feasibility of appointing a transport expeditor who would function under the supervision of the Canadian Wheat Board. I believe this suggestion was forwarded by the committee to this government. I hope the minister and his colleagues will see fit to give the suggestion careful analysis. In addition, it was pointed out rather clearly to this government that it really must assume responsibility for improving port facilities on the west coast. All the data and the indices projected would seem to indicate that the trend will be toward increased exports of Canadian grain to Asian markets. All these port areas, therefore, will really have to be enlarged and improved upon. I refer to the unloading facilities at the port and the slipways for docking boats. All of this can be held in abeyance. One year could pass, or two, three, four, five or six years, and before we knew it we could be involved in a grain movement crisis, a grain blockade or bottleneck.

• (4:30 p.m.)

The hope was expressed that since the recommendations have been made the government will now set to work forthwith. I hope the minister, together with his colleague the Minister of Transport (Mr. Pickersgill) and others, will take some real, tangible action to see that the program to improve these facilities is commenced and that a certain amount of research and investigation into new methods of grain handling is conducted. The concept of the unit train, which I understand is something the United States railways are experimenting with in the movement of grain in the United States, was brought to our attention when we were in western Canada just a few months ago.

I conclude on this note, Mr. Speaker, that the changes that are being provided for through this legislation are of a nature that cannot really be objected to. Indeed the idea of making the board a permanent body with authority to act is nothing more than realistic. The board is entering more and more into long term, long range commitments and agreements, and I think that many purchasing groups and countries would find it better to deal with a body that has the kind of permanent authority which is commensurate with the agreement or contractual obligation that is being entered into at the time. If a master agreement with a term of five years is being entered into, it does not make sense to give the board entering into that agreement a legal life span of less than that term. Therefore, setting up the board with an extension of authority timewise is realistic.

However, Mr. Speaker, in the meantime there are many other substantive matters coming under the jurisdiction of the Canadian Wheat Board that the government must give cognizance to and deal with in a tangible way in the course of the next year or two.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, one of the most important functions of the Canadian Wheat Board is to provide a fair allocation of the available market to all the wheat producers in the area covered by the wheat board. I just want to speak very briefly on this quota system. I should like Your Honour to know that no member of this party participated in the second reading debate, but I do intend to be very brief at this stage.

I could not help but listen with a great deal of interest to the remarks of the Leader of the Opposition (Mr. Diefenbaker) as he went back over the history of the Canadian Wheat Board in the 1930's and attempted time after time to rejuvenate—if you want to call it that—the credit given to his party and his government for having increased sales of Canadian wheat.

Mr. Rapp: There is nothing wrong with that.

Mr. Olson: But what is so amusing about this, Mr. Speaker, is that the Leader of the Opposition has just returned from the west. I do not know whether he was in my constituency, but he was awfully close. He now comes back to the house, and the first major contribution he makes to the debates in this chamber is to repeat a speech that we in this house have heard at least 50 times. The thought that occurred to me was this. I was wondering whether the attempt to perpetuate this illusion that hon. gentlemen try to give the farmers of western Canada is becoming more difficult and the right hon. gentleman is trying to revitalize it a little bit.

Mr. Diefenbaker: The recently self-appointed minister of agriculture has spoken again for Liberalism.

Mr. Olson: It seems to me that this must have bothered the right hon. gentleman after visiting some of the major grain and wheat producing areas of the prairies, because he comes back to this house and gives the same old speech we have all heard about the great things which were done some nine or ten years ago by his government. We have heard that speech made by the hon. members for Qu'Appelle (Mr. Hamilton), Provencher (Mr. Jorgenson), Rosthern (Mr. Nasserden), I think by the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp), the hon. member for Acadia (Mr. Horner), indeed by all of them.

This speech, Mr. Speaker, is the standard speech that is made by every one of them, not only in this House of Commons but in every election campaign during the last ten years. They do not tell us, however, some of the other details that should be told if they want to tell the whole story—and I understood that the Leader of the Opposition was trying to give all of the details. The right hon. gentleman complained about the detail that the minister left out of his speech when he was talking about the Canadian Wheat Board. For example, the fact that the original contract with mainland China was signed three days before the minister of agriculture got over there to make the announcement; that is one of the details he left out. He also left out the point that while there was an expansion of credit facilities, for which I give the right hon. gentleman and his party full credit, the fact remains that all the mechanism to provide export credits, and so on, had already been set up before his government took office.

Mr. Rapp: But they never used it.

Mr. Olson: It is not quite fair to say they did not use it, because they did. The Minister of Trade and Commerce (Mr. Winters) was very careful to mention that they had made some kind of deal with Yugoslavia. Actually, I think he could just as well have left out any reference to that five and a half million bushels because the amount is so insignificant. However, these are some of the details that are left out, depending upon whether the speech is being made by someone on this side of the house or on the other side of the house. I think members on both sides should fill in the details for each other, so that we do not go through this performance over and over again.

I hope the right hon. gentleman is now satisfied that he has been able to revive these past glories and can live with them for a while yet; but as I say, Mr. Speaker, it is apparent that his trip to the west must have left him feeling that the picture had slipped a little.

Mr. Rapp: You were not in favour of sales to communist countries.

Mr. Diefenbaker: That is right; the hon. gentleman opposed sales to communist countries.

Mr. Olson: The hon. gentleman did not oppose sales to communist countries.

Mr. Diefenbaker: Yes, you did.

Mr. Olson: There may be some validity to the statement that some members of this party did, but do not say that I did, because I did not.

Mr. Diefenbaker: The hon. gentleman opposed that.

Mr. Olson: The right hon. gentleman had better dig up some proof about that because I take exception to that statement.

Getting back to the subject matter of the bill, Mr. Speaker, on the matter of quotas, as I said at the outset, a fair allocation of the

available market to all the wheat producers of western Canada is the primary function of the Canadian Wheat Board. Because unless there is a proper and fair allocation of the market that is available, the full purpose of the wheat board falls by the way.

I suggest that it is not enough simply to set quotas for specific points and just to leave it at that. The reason I say this is because a quota has no validity whatever until there is space in the elevators at the delivery points to which the producer can haul his wheat, and there have been some shortcomings on the part of transportation services in the provision of this space.

• (4:40 p.m.)

The minister who was formerly responsible for the Canadian Wheat Board, now the Minister of Finance (Mr. Sharp), stated in this house that he and his officials along with members of the Canadian Wheat Board were giving serious consideration to bringing in a new quota system. He went on to say he would shortly be outlining these new ideas for the benefit of hon. members, the intention being to change the quota system in such a way as to make it more effective in accomplishing the purpose for which it was designed.

We have heard nothing further about this. We have heard nothing on the subject from the minister who now has responsibility for the wheat board. We do not know what came out of those discussions or even whether they are continuing. This is a matter of great importance. I know that some places on the prairies wait three or four months to have their quotas brought up to the same level as others during the crop year.

I do not wish to be misunderstood. During this last crop year there has been a large market and the kind of weather which is conducive to the movement of huge crops by rail. So no serious disparities have arisen. Indeed, I do not know of any areas which are complaining that their quotas are substantially below those of other areas. This is not a problem which arises this year.

I suspect, however, that if wheat exports were to decrease, or if difficulties arose in connection with transportation, the problem would immediately arise again. I hope the minister will tell us either today or at an early date what the wheat board has in mind by way of a revision of the quota system so that these wide discrepancies as between shipping points may not arise in the future.

[Mr. Olson.]

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): I shall speak on this bill for only a few moments. The hon. member for Medicine Hat (Mr. Olson) referred to quotas but as usual, of course, he made no suggestions as to how they might be changed.

I wish to draw once again to the attention of the minister the very favourable location of the elevator at Moose Jaw. Situated as it is on the main line of the C.P.R. and accessible to the C.N.R. routes, this elevator should be put to greater use than has been the case in the last few years. In my opinion this would improve the working of the quota system in some of the country districts in the region; I say this because the elevator at Moose Jaw has a capacity of some 5.5 million bushels of wheat.

I am glad to see it is being used to near full capacity now, and that its utility is thus being demonstrated. At the risk of worrying the minister with repetition I wish to emphasize once again the importance of this elevator because, among other things, of its strategic location.

During the sittings of the standing committee on transport and communications many references were made by witnesses and others to modernizing the arrangements for handling and moving grain, particularly wheat. I suggest to the minister that the Moose Jaw elevator has the necessary cleaning and drying facilities to enable it to fit into the pattern of grain transportation envisaged in the next few years. It has been envisaged—and this came from the Minister of Transport (Mr. Pickersgill) himself—that pipe lines might be used to move some of our grain. I believe that the Moose Jaw elevator, because of its location and other advantages, could fit into this technique, if it ever comes about.

I hope the minister will draw the attention of the Canadian Wheat Board to my remarks. The Minister of Agriculture (Mr. Greene) is not here but perhaps the hon. gentleman will ask his colleague to draw the attention of the Board of Grain Commissioners to what I have said, inasmuch as that minister has responsibility for the work of the commissioners.

Mr. Ed. Nasserden (Rosthern): I shall try to limit my comments on this bill to about one minute. Since second reading took place, at which time I mentioned the possibility of rye and flax being placed under the jurisdiction of the board—a suggestion which has been reinforced today by the Leader of the Opposition (Mr. Diefenbaker)—I have had occasion to read the reports of the agriculture

committee for the past year. As hon. members know, the committee travelled through western Canada.

One of the recommendations made by the committee read as follows:

> Your committee therefore recommends that legislation be introduced, after the usual procedures have been completed, which would extend the jurisdiction of the Canadian wheat board so that it would be the sole Canadian marketing agency for rye, flax and rapeseed.

I wish to bring this recommendation to the attention of the minister and commend it to him.

When I spoke in the debate the other day and referred to rye and flax I suggested that some people were not as anxious to see rapeseed brought under the board's jurisdiction. I have to amend that statement today and say they are just as anxious to see rapeseed included. In fact, no farm organization in western Canada has indicated it is at variance with the recommendations of the agriculture committee in this connection. That is all I wish to say at this time.

Mr. Deputy Speaker: I am sure the minister is aware of the fact that under our rules he is not permitted to speak at this time unless he has the unanimous consent of the house. If he wishes me to do so I will ask the house for consent.

Does the house give consent to the minister speaking, now?

Some hon. Members: Agreed.

Hon. Robert Winters (Minister of Trade and Commerce): Thank you very much, Mr. Speaker. I am bound to say I was not aware of that rule and thought I would have an opportunity to reply as of right. I am grateful to hon. members for giving unanimous consent, although I intend to speak only briefly.

Little has been added that was not said on second reading, so nothing is required from me by way of rebuttal. The hon. member for Medicine Hat referred to speeches which were made on other occasions by the Leader of the Opposition, but I am relatively new in my responsibility for the wheat board and I have not heard those speeches.

Mr. Diefenbaker: Neither had he, except in his imagination.

• (4:50 p.m.)

Mr. Winters: I was pleased to hear the hon. member's references and enjoyed them very much. The Leader of the Opposition referred to interpretations placed on my presentation during second reading. I tried to be factual. I have always gone on the basis that one cannot alter facts. You can alter the interpretation of facts but not the facts themselves. I did not think there was anything in the factual content of my presentation with which the right hon. gentleman would disagree. I referred to the fact that it was under his administration that the first contract with communist China was negotiated by the wheat board, and China has proven a good market for Canada ever since. Reference was made to the fact that the sale of 5½ million bushels of wheat to Yugoslavia was inconsequential. However, sometimes it is these small things that establish precedents which lead to greater business later on, and we are hopeful that will be the case.

The right hon. Leader of the Opposition (Mr. Diefenbaker) also referred to the port of Churchill and urged us to greater efforts. I have replied occasionally to questions put by the hon. member for Churchill (Mr. Simpson) and told him we are working very hard. It is not always easy to persuade the shipping lines to take wheat out of Churchill. The season is short, and the shipping season itself happens to coincide with the season during which wheat is coming on to the major markets of Europe. Therefore there is not a great incentive for the shipping lines to take wheat out of Churchill.

By dint of hard work the wheat board has been able to succeed to the point where we can contemplate a shipping season from Churchill which we think will be at least as good as last year. We are still working and hopeful for better things; but of course I cannot guarantee that at this stage, because so much is beyond our control.

I will be very glad to review the quota system. I have not had an opportunity to talk recently to the wheat board about it but I will do so, and hope I will be able to say something about that at an early date. The elevator at Moose Jaw did get a considerable amount of business after the matter came up at an earlier date and it will be used to the fullest extent consistent with the primary functions of the wheat board, which are to sell and move wheat.

With respect to the matter of rye, flax and rapeseed, I was aware of the recommendation of the agricultural committee. I alluded to that in the debate on second reading. I told hon. members that I was impressed by that recommendation but wished more time to study it, since my association with the wheat

board has been of such a short duration so far.

Naturally I would like to see more wheat shipped out of the ports of Halifax and Saint John, which traditionally had a greater play than they have been receiving recently, but trends change and we must strive to keep the wheat flowing through all the ports of Canada to the greatest extent possible.

I have nothing more to say, except that I have enjoyed the historic treatment today. However, I think the Leader of the Opposition, and all other hon. members, would agree with me that while history is interesting to the western farmers they are more interested in performance, and if I could be permitted the opportunity to quote one more fact which I think will be as unassailable as the other facts I have quoted, it is that the prices for wheat are now at the highest level in history under the international wheat agreement, and are only fractionally below the maximum under the international wheat agreement at Vancouver.

Motion agreed to and bill read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: Order. Would the house agree to calling it five o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The house will now proceed to the consideration of private members business as listed on today's order paper, namely notices of motions and public bills.

Mr. Aiken: Mr. Speaker, I am rising on a point of order. When Your Honour was on your feet and the suggestion that it be called five o'clock was made, I was in conference with the Solicitor General (Mr. Pennell) who had hoped to complete his estimates before five o'clock.

Mr. Deputy Speaker: I recognize the point of order raised by the hon. member for Parry Sound-Muskoka (Mr. Aiken), but it being only a few minutes before five o'clock I requested the opinion of the house as to whether it would rather have private members business begin now, or just spend two or three minutes on estimates.

Mr. Pennell: Mr. Speaker, I would be imposing on the house by making a request. However, I am prepared to do so, but I certainly can take no offence if the house feels otherwise. The hon. member for Skeena (Mr. Howard) had not quite completed his remarks when we adjourned the debate the other evening. If it met with the will of the house and it decided to continue, I feel the hon. member for Skeena should at least be permitted to complete his remarks.

[Mr. Winters.]

Mr. Howard: Mr. Speaker, I am in the same position as I was last evening. I think I should not accept the offer of the hon. gentleman, which of course does not mean that I do not consider it to be an important subject, but I have ascertained that there are a few other hon. members who desire to say something about the estimates. Further, the minister himself has not had an opportunity to reply to the comments that have been made up to now. I think it would be going a bit far to expect to get his estimates through this evening.

Mr. Pennell: I can take no exception to the remarks of the hon. member for Skeena and respectfully suggest that we revert to private members hour.

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

EMPLOYER-EMPLOYEE NEGOTIATION OF TECHNICAL CHANGES—SUGGESTED AMENDMENT

Mr. Norman Fawcett (Nickel Belt) moved:

That, in the opinion of this house, the government should consider the advisability of amending the Industrial Relations and Disputes Investigation Act to provide that an employer shall not introduce or implement any technological innovation, development, or change which would materially and adversely affect the working conditions of his employees until after he has negotiated the matter with the bargaining agent of his employees, and that if no agreement is reached, the matter shall be refererd to a conciliation board as provided by section 22 (2) of the act, and that if the employer introduces or implements the proposed changes without such negotiation and conciliation, his employees shall have the right to strike immediately as if the collective agreement had expired and all other statutory requirements had been met.

He said: Mr. Speaker, it is just about 15 months ago since I presented a notice of motion that was identical to this one, and the reasons I am presenting this one today are because I feel the issues which inspired me to present the first one are just as crucial today as they were then. My main reasons are based on the recommendations contained in the Freedman commission report. As most hon. members will recall, the Freedman commission was set up at a time when labour relations between employees of the C.N.R. and the C.N.R. executive reached such a point

that a wildcat strike occurred, as a result of which transportation facilities on the C.N.R. were tied up for a short period of time.

Because of the wildcat strike hon. Mr. Justice Freedman was given the job of inquiring into the reasons for the dispute between the employees and employer, and of coming up with recommendations to resolve the situation in order that it might not happen again. At that particular time the C.N.R. had arbitrarily served notice on the railway running trades that it was introducing drastic changes in working conditions without first negotiating the conditions with the unions and employees involved. The employees took exception to this and insisted that any changes of this nature should be negotiated.

• (5:00 p.m.)

The company, for a considerable length of time, had been hiding under an umbrella of an understanding that was archaic. I am referring to the residual rights theory, the theory that there are certain fundamental rights which did not have to be negotiated and in respect of which the company would have the right and authority to make changes without becoming involved in negotiations with the union. As I said before, Mr. Justice Freedman's job was to explore the events leading up to the wildcat strike and to submit recommendations concerning how a similar work stoppage could be avoided in the future. The last time I spoke on this matter and presented my notice of motion I dealt extensively with the recommendations which Mr. Justice Freedman made. Today I shall deal with them only very briefly. I intend to quote from one or two passages. The first has to do with Mr. Justice Freedman's summation concerning what is involved so far as residual rights are concerned, and whether or not this is something which should happen today. I should like to quote from pages 91 and 92 of the Freedman Commission report:

> The commission must accordingly conclude that on the basis of the law as it exists today the company does have the right, as it contends, to institute run-throughs. That conclusion at once poses a question: Should it continue to have that right? The commission is satisfied that it must be answered only in one way. The institution of run-throughs should be a matter for negotiation. To treat it as an unfettered management prerogative will only promote unrest, undermine morale, and drive the parties farther and farther apart. In that direction lies disorder and danger. By placing run-throughs, on the other hand, within the realm of negotiation a long step will be taken toward the goal of industrial peace. More than that. Such a course will help to provide safeguards against the undue dislocation and hardship that often result from technological change.

Mr. Justice Freedman spent months travelling from place to place hearing witnesses provided by the company and the labour unions. I think he investigated the whole matter very thoroughly. For this reason I believe a great deal of credence should be put on the recommendations of the Freedman Commission.

It is nearly two years since the recommendations of the Freedman Commission were made and published. I submit that not a single thing has been done by the government in respect of these, even though this commission has cost the country a great deal of money. It also has cost both the unions and the company involved a great deal of money, and still we have a situation where up to this date these recommendations have been ignored. I submit that the issue is as crucial today as it was two or three years ago. I believe the attitude of the railways is exemplified by the recent announcement of curtailment of passenger service in Newfoundland. Possibly this could not be considered as being relevant, but I think it gives a pretty fair idea of the way in which the railway companies operate today, and the callous disregard they appear to have for the employees when they make changes.

The few comments I should like to quote from the *Canadian Trainmen's News* for the month of May have to do with the passenger runs in Newfoundland. I shall read only a portion of this. One paragraph reads as follows:

> The announcement by C.N. that it would abandon rail passenger service on the island altogether and substitute bus service along the trans-Canada highway came right on the heels of the report of the Royal Commission on Transportation which recommended a substantial increase in rail passenger service.

Here is an example, when a recommendation had been made that there should be an increase in the service, where the Canadian National Railways decided to abandon these facilities. Further on the article says:

> While C.N. has not yet applied to the Board of Transport Commissioners to abandon the island services, more than 200 employees (by C.N. figures) will lose their jobs. The greatest proportion being B.R.T. members.

These are the men who operate the trains.

> As well as train crews, the brotherhood represents express messengers in Newfoundland.

I believe this is a serious matter and, even though it is not entirely relevant to the Freedman commission recommendations, because those recommendations deal with

changes of a different kind, I believe it does point out very definitely that the railways are perhaps more to blame than most industries when making changes and dealing with innovations which seriously affect the employment of their employees, without prior consultation or without negotiation of any kind with the employees.

I am quite sure that when I sit down I will be reminded by someone on the government side that a task force has been set up to look into the whole matter of labour-management relations. According to the information I have—and I believe it is quite authentic—this force is headed by four professors who have engaged already dozens of professors of law, sociology, economics, and so on. I have no quarrel with these people, but I believe a force of this kind should not be overloaded with that type of personnel. I think more people from the labour movement should be involved in this task force. Already they have over 90 projects on which they plan to do research. I think this points up another thing; apparently they are more interested in research and study than they are in getting down to business and actually doing something about this whole matter. I should like to ask whether this is just to be another exercise in research and study. Is it to be a replay of the B and B patter, or will there be some positive action? I think not. In my opinion the whole exercise is a series of delaying tactics which indicate cowardice on the government side in facing up to a crucial issue.

My information is that not one of these 90 projects is designed to deal specifically with the issues raised by the Freedman report in respect of technological change, management's rights and the social responsibilities of governments and corporations. Further we have the two great labour problems of last year. The first is the railway strike of which we are well aware and in respect of which there was a breakdown of negotiations, lack of trust and an example of the futility of the conciliation procedure. These were very important factors in the railway strike of last year, which I believe everyone will admit was a very serious situation and one which called for very positive action on the part of the government.

Another matter which apparently they are not going to go into is the problem represented by the C.N.T.U. and the Canadian Labour Relations Board. How is the French fact to be recognized or accommodated in federal labour legislation and administration? I think this is a very crucial matter today. It is my information that the majority of the studies deal with industries and matters falling under provincial jurisdiction.

[Mr. Fawcett.]

• (5:10 p.m.)

One would gather that this academic task force are out to employ any academic egghead who has been sitting on any pet project which possibly could be related in some way to management and labour relations. The worst is, however, that the task force have deliberately ignored the points which were raised by Mr. Justice Freedman. The problems implicit in the rejection of the Canadian Labour Relations Board by the CNTU and the troubles with longshoremen in Montreal and Vancouver would suggest to me, Mr. Speaker, that all the crucial issues have been ignored entirely and that this task force is, in effect, a delaying exercise which is being engaged in order to get away from facing the important issues that prevail at this time. I am of the very strong opinion that the railways are just sitting tight; they are waiting for an opportune moment and it will be a short time only before we shall be faced with the problem that faced us before, particularly with respect to run-throughs.

I realize that federal labour laws do not affect too many of our major industries, so that I need not, I think, speak for them. I do think that the majority of industries that do not come under federal jurisdiction do not apply the archaic residual rights rule, yet this is something that the railways apparently do not intend to move away from. This matter was one of the crucial issues in the railway negotiations of last summer, and on no occasion was there any indication that the railways have any intention of negotiating with the employees on anything that involved the recommendations of the Freedman Commission report.

I had not intended to take up much time with this matter, Mr. Speaker, and I do not intend to now. I would conclude by saying what I said at the outset, that this notice of motion is just as crucial today as it was 15 months ago, that nothing has been done to implement the recommendations of an eminent jurist who went to a great deal of trouble to explore the labour situation in the federal field. Another such labour dispute in this field could bring about the same results that were previously seen. For this reason, Mr. Speaker, I would request that hon. members of the house will support my notice of motion.

Mr. Hugh Faulkner (Peterborough): Mr. Speaker, in common with other hon. members I was looking forward very much to the remarks of the hon. member for Nickel Belt (Mr. Fawcett) on a subject about which, I think it is fair to assume, he is probably more expert than most of us, having had long experience in the railways industry. In his notice of motion he presents a problem which is very severe and real and is encountered not only in the railway industry but in all industries. I hope I shall be forgiven if I express considerable disappointment in his remarks, particularly with his suggestion that since the Freedman report came out, nothing has been done. Later in my remarks I hope to demonstrate adequately that something has been done by the parties themselves.

Most particularly, I take exception to his suggestion—and I am disappointed in this allegation—that the task force which was set up with the very best of intentions by this house is, according to his interpretation nothing more than a delaying device. In my view he has done a grave disservice to the men who are working on that task force.

Not only has he done that, but his allegation at this stage of the game, when the members of the task force are working and in which he proceeds to dismiss the task force as a delaying device is premature and precipitate. In the process he has cast doubts upon the integrity of the men who are working for it. If his intention is to advance the cause of the railroader, and I am sure it is, then the hon. member has not adopted the best approach.

As to the sum and substance of the hon. member's notice of motion, I do not think anyone in this house would take exception.

Mr. Winch: Will you vote for it?

Mr. Faulkner: It is important, in considering the notice of motion, to consider not only its substance but also to some degree the timing, and the methods through which we may achieve the legitimate and desirable objectives which the hon. member for Nickel Belt has set forth. I think it is possible to argue that at some stage legislation may indeed be required to accomplish the goal set out in the hon. member's notice of motion. I should like, though, to discuss some of the developments which have taken place within the private sector between management and labour through collective agreements which have in recent years accomplished those goals in some measure.

I think it is important to take this notice of motion in its total perspective, and to judge whether right now it is particularly urgent that we proceed to do that which it seeks. There is a provision in the notice of motion regarding technological change and its effect on job security which I think is important and which the hon. member did not mention. It seems to me there is an area where eventually we shall be required to bring in an amendment to the Industrial Relations and Disputes Investigation Act, and this has to do with the unorganized sector of labour. It is in the area where collective agreements do not exist that, possibly, protection will be sought through the medium of legislation.

As I said at the beginning, Mr. Speaker, I am sure it is the opinion of most if not all hon. members, that the objectives set forth in this notice of motion are commendable. I think we all share an equal concern about the effects of technological change on workers. The history of the labour movement, the history of free enterprise in this area, is characterized by a series of developments, all of which point to one thing, that technological change, improvements in technology, improvements in machinery and improvements in methods of production have almost invariably been purchased at the expense of the livelihood and best interests of the workers. That was so if we look back to the nineteenth century. That was the *raison d'être* behind the movement of the Luddites. That was the condition which governed the attitude of the Tolpuddle martyrs and others, right up to fairly recently.

I think it is true to say that in most instances technological change has been purchased at the expense of the interests of the working men and working women. I think therefore that it is perfectly natural that within the labour force there should be this resistance. But, I think it is imperative to recognize that the resistance to technological change is not resistance to technological change per se, but a resistance to the ramifications of technological change on the lives of working men.

That is why in the past within organized labour, and indeed outside the ambit of organized labour, there has been fear, misgiving, and indeed opposition to technological change which is applied arbitrarily by a decision of management and which affects the working conditions of men and women within factories.

I wish to demonstrate briefly that in recent years, within the private sector as between labour and management, there has been I would say a significant and important development which shows that on both sides a sincere attempt at accommodation on the point that is raised in the hon. member's notice of motion.

• (5:20 p.m.)

No responsible labour leader argues in principle against technological change. Not only is it an inevitable feature of our society, but if reports that one reads are true it is likely to become more severe in the future than it has been in the past. It is an indispensable condition. It is a condition that ensures workers their jobs, because it provides competitiveness for industry itself to survive not only domestically, but particularly internationally. But it is important, as I said earlier, that this accommodation to technological change be undertaken with both parties involved, so that in fact we do not upset the general move toward improved efficiency within our industry and we do not sacrifice the workers involved.

Recently a study was made of collective agreements prior to January, 1962. The title of the study is "Results of a Study of Collective Agreements". It appears in the Laval Industrial Relations Journal of January, 1964, and the author was Monsieur Quinet. In the course of the study the people involved observed that in collective agreements pre-1962 there were virtually no provisions for technological change. I should like to read an excerpt from the study which points up this fact:

> When we started preparing the study, we firmly intended to analyze provisions dealing specifically with what is commonly called "technological changes". In fact, some such provisions were spotted by the analysts. But it was soon discovered that very few collective agreements contained such provisions, i.e. provisions that would make an open and obvious reference to the problems resulting from technological changes. If our analysis had been limited to this type of provision (for instance clauses dealing with the establishment of labour-management committees which would undertake to study the possible effects of technological changes in a given plant or company), our study would have indicated a very low percentage of establishments covered by such technological change provisions.

This was the condition the study found existed at that time. I am afraid I cannot give the exact number of collective agreements studied, but it was substantial. It was found that in collective agreements prior to 1962 there was very little reference to technological change and very little provision for such change. Recently studies have been undertaken by the Department of Labour. Again I apologize to the house for the fact that my statistics are not complete, but they do indicate the trend, which I think is important and merits consideration by members of the house. One hundred and twenty collective agreements post-1962 in the iron and steel products, printing and publishing industries —these are major industries—made direct reference to technological change, new machinery or new processes. There were within these collective agreements 140 provisions—this would also include the trucking industry —which did not make direct reference to technological change, but there were in the collective agreements provisions which obviously influenced adjustments on the part of both sides to technological change.

I admit that this information is not particularly detailed, but the point I am trying to make is that it indicates to me that within the private sector since 1962 there has been a fairly substantial effort on the part of management and labour to themselves deal with the problem posed by technological change. I think this is a very significant and healthy development and one which should be considered when discussing this notice of motion.

I should like to deal specifically with the issue which obviously is uppermost in the mind of the hon. member for Nickel Belt (Mr. Fawcett), which is of course the railroad industry and the Freedman report. This has been the most spectacular, if you like, most recent pointing up of the problem. The hon. member for Nickel Belt read from the Freedman report a section which I had intended to read, so I shall not reread it. However I should like to go a little further in quoting from Mr. Justice Freedman's report because I believe it not only states the problem so well, but the principles which should guide us in a solution of the problem.

The hon. member for Nickel Belt quoted from the report—I have it as pages 135 and 136, but we may have different editions—on the matter of run-throughs, which the report said should be a matter for negotiation. The report in part reads as follows:

> The institution of run-throughs should be a matter for negotiation. To treat it as an unfettered management prerogative will only promote unrest, undermine morale, and drive the parties farther apart.

I think that is absolutely true and is a point that should be recognized by all. The report continues:

The commission—

Mr. Justice Freedman was the chairman of the commission.

—believes that its answer is rooted in fundamental fairness. A run-through program cannot be developed overnight. Much prior planning for it is required. Management is the one to initiate such planning—

I should like to interject here a notion to which I have always subscribed, and I would be interested to know whether the hon. member for Nickel Belt subscribes to it. I believe that in the matter of industrial relations the initiative must come from management. I have always believed that the attitude of management is what in turn determines the attitude of labour. If you get an attitude on the part of management that is co-operative and shows a willingness to negotiate in good faith, you engender the same attitude in labour almost without exception. The Freedman report continues:

Management is the one to initiate such planning and it alone knows where the plan is to take effect and what is its proposed nature and scope. But it does not bring its plan to the bargaining table. In that state of affairs bargaining proceeds and a collective agreement is in due course signed. Thereafter management for the first time introduces its plan. By now the parties are in the closed period. The plan may have the effect of causing very material changes in working conditions, as was undoubtedly the case at Nakina and to a lesser extent, at Biggar. But such a manoeuvre is not forbidden by the law, provided that the collective agreement itself is not violated. The result for the men is that they must suffer such a change in their working conditions; and this without recourse, for in the closed period strike action is forbidden. Their contract was made on the basis of one set of circumstances. Now it must be performed on the basis of another set of circumstances, devised by management alone and to which they have given no consent. There is a manifest inequity here which clamours for attention and correction.

I agree with that. I think all members of the house would agree with it. The point made by the hon. member for Nickel Belt is that nothing has been done, and since the Freedman report the issue has been ignored. The brotherhood of railroad trainmen, numbering 18,000 men, concluded an agreement and I should like to read an excerpt of the memorandum of agreement:

No new crew run-throughs shall be effected until an understanding is reached in current negotiations being conducted by vice president W. C. Bowra and the brotherhood concerning the establishment of guide lines and rules to govern the implementation of crew run-throughs. Any such understanding shall be incorporated in the main agreement and become a part thereof.

• (5:30 p.m.)

Both sides agreed to that provision. In the case of the residual non-operating group, numbering 55,000 men, and the Canadian brotherhood of railway, transport and general workers, numbering 20,000 men, the following is an extract from the agreement they reached with management.

I would like to quote briefly from article VII which is entitled "Technological, Operational and Organizational Changes":

1. It is agreed between the parties that on the introduction by the company of technological, operational and/or organizational changes the following provisions will apply:

(a) the company will not put into effect any such change which is likely to be of a permanent nature and which may effect a material change in working conditions with adverse effects on employees covered by this agreement without giving as much advance notice as possible of any such proposed change to the unions concerned and, in any event, not less than 90 days if a relocation of employees is involved and 60 days' notice in other cases, with a full description thereof and with appropriate details as to the consequent changes in working conditions and the number of employees who would be adversely affected;

(b) that it will negotiate with the unions measures to minimize the adverse effects of the proposed change on employees, which measures may, for example, be with respect to severance, loss of wages, expenses of moving and travelling of employees required to relocate, retraining and the merging of seniority lists within organizations and/or such other measures as may be appropriate in the circumstances.

2. If the negotiations do not result in mutual agreement within thirty calendar days of the commencement of such negotiations, or such other period as may be agreed upon between the parties, the matter shall be referred immediately for mediation to a board of review, on which each of the parties will be equally represented by senior officers.

3. The board of review shall, within a fixed period to be determined by it, make its findings and recommendations. If such recommendations are not acceptable to either party, the matters remaining in dispute shall be referred immediately for decision to a referee selected by the parties, or, failing that, appointed by the Minister of Labour.

The matters to be decided by the referee shall not include any question as to the right of the company to make the change, which right the unions acknowledge, but shall be confined to measures for minimizing the adverse effects of the change; and if there is also a dispute with respect thereto, to the question as to whether such change would materially or permanently affect working conditions.

4. The decision of the referee shall be final and binding.

These are agreements reached by both parties in the dispute. It seems to me that one of

the principal virtues of these agreements is that they have been arrived at by the parties involved in the dispute and that the government did not enter into it. I think the hon. member for Nickel Belt (Mr. Fawcett) has done a disservice to the men involved when he claimed that since the Freedman report nothing has been done, and in a second breath castigated the task force which is attempting to go beyond this particular problem and come up with long term solutions.

I will not speak about the task force although I intended to do so. However, I do feel that in assessing whether or not we should move ahead with the very laudable and commendable objectives implicit in this notice of motion it is reasonable for some of us to question whether it is good timing to do so now, while the task force is still deliberating. I think most of us share the conviction that the task force is a responsible effort.

The hon. member for Nickel Belt raised the point whether or not there should be more labour representation on this task force. This may be a valid point and I am not prepared to dispute it, but I do feel we should wait until we hear what they have to say before dealing with this problem on a much broader front, as it affects both the railroad and other industries.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, like the hon. member for Peterborough (Mr. Faulkner) I was very disturbed to hear the hon. member who introduced this motion say that nothing has been done with respect to the recommendations of the Freedman report since it was first published. This was a particularly surprising statement from a man who was in the railway unions and whom we would expect to be familiar with the collective agreement to which the hon. member for Peterborough referred. The fact is that this agreement in which technological changes are taken into account was put into the collective agreement between the railway workers and the railway companies and was signed on December 17, 1966, a few months ago, but after the hon. member first introduced his resolution in this house last year. I was also surprised that he should attack the formation and establishment of the labour task force. It so happens that today I met one of the members of this task force, and I do not think there is any doubt as to the sincerity and good intentions of these people.

[Mr. Faulkner.]

The hon. member said that the establishment of this task force was nothing but a delaying tactic on the part of the government. By making this allegation he questioned the integrity and sincerity of the people who accepted to serve on the task force. He must remember that the Freedman report, which I agree is an excellent report, dealt specifically with technological change on the railways, and if we are going to make changes in our labour laws we should look at all industries, because our labour regulations apply not only to railways but to other industries as well.

When this resolution was put to the house last year I had the opportunity to speak on it. I supported it generally, although I disagreed with certain details. Since the debate in the house last year on this resolution there have been many significant additions in this field. In addition to the collective agreements which have been signed, two very important publications of studies have been put out by the Economic Council of Canada. One of these, which was put out in November, 1966, entitled "A Declaration on Manpower Adjustments to Technological and Other Change", deals in more detail with the subject matter of this resolution.

The other study of the Economic Council of Canada was put out in February, 1967, and is entitled "Towards Better Communications Between Labour and Management". In the study on technological change several very important points are put forward. First of all, and I do not think this can be stressed often enough, we must emphasize the importance of technological change and automation in our economy by introducing methods which will allow us to produce more in our country. We do a lot to help the workers because we are increasing our production. We will eventually give our Canadian people more products and a better opportunity to compete in the international markets where Canadian industry must compete. I will quote from the report of the Economic Council of Canada, in which we read the following:

> It is now universally recognized that technological change is essential for the achievement of the basic economic and social goals of full employment, a high rate of economic growth, and rising standards of living. Canada, with its open economy, must be ever conscious of the need to ensure that no impediments stand in the way of change. To prevent change from taking place would be not only to deny ourselves the benefits which result from the process of change but would undermine our competitive position in the international economy and eventually result in our slipping behind the rest of the industrialized world.

• (5:40 p.m.)

This has been said many times before, Mr. Speaker, but I think it ought to be repeated because there are some people in this country who feel that technological change or automation is necessarily an evil thing. Although it has temporary evil side effects, I think we must all agree that in the long run it is extremely important and valuable. We should not do anything to retard its progress in any way.

This report on technological change by the Economic Council of Canada makes some very important recommendations to deal with technological change. First of all it points out the necessity for continual bargaining, especially in connection with matters concerning technological change. The report states that if we are to merely discuss technological changes at the end of contracts during the short period which is usually allowed for collective bargaining, we are then bargaining under pressure of meeting a deadline, and often the many draft contracts which are presented to companies by unions cannot be adequately dealt with. So, first of all, this report recommends some procedure for continuous bargaining from the date of arriving at a contract. Second, it recommends that employers try to introduce technological change during periods of full employment. The purpose of this of course is that if some employees have to be phased out of a particular company they will have opportunities to work for other companies.

If technological change is made in a period of unemployment, there will not be the same opportunity for these employees. I should like to refer to another study which was made by Mr. Everett M. Kassalow, who is research director for the C.I.O.-A.F.L. In discussing this problem, Mr. Kassalow states:

> American union leaders and economists have repeatedly emphasized that the precondition for satisfactory adjustment to the spread and development of automation is a strong full employment economy. This necessity has been underscored by the experience of the past few years.

I believe, Mr. Speaker, this is something that employers will have to respect. They will have to try to introduce their technological changes during periods of full employment.

The third recommendation put forward by the Economic Council of Canada in their report concerns the matter of advance notice and time lag with respect to technological changes. It is obvious that most of these technological changes do not happen overnight. Management starts to plan them long in advance of their introduction and knows many months, perhaps years, before they are actually put into effect. The Economic Council recommends that advance notice of at least three months be given. It is interesting to note that the collective agreement concluded between the railway companies and the railway employees provides for 90 days notice if re-location of employees is involved, and 60 days notice in other cases. I do not know if that provision is a consequence of that recommendation by the Economic Council.

The council in its report also suggests that when technological change is introduced and men have to be released, the companies should try to accomplish this purpose through natural attrition, that is through voluntary separation such as men going on pensions or men leaving the company. One hon. member suggests entering politics. In general, the companies should try to let these men go through the process of natural separation rather than through forced separation.

The council suggests, too, that if some men are near retirement age they could be granted early retirement on full pension in order to try to keep the men who are still able and willing to work. If this procedure were followed,—and it has been followed—when these men leave the company, you do not merely hire men to take their place, but you keep the group of men you have and re-train them in the new work that is required.

This leads to a further recommendation in the report concerning retraining programs. We have a national manpower policy under which there is a retraining program. However, the Economic Council suggests that the companies also should have retraining programs for men who are phased out of jobs as a result of technological changes. It is also suggested that they have relocation policies, especially if the company has more than one plant and jobs may be available at another plant.

Another recommendation in the Economic Council report refers to pension portability. It points out how many men who have worked for a company for a number of years and have built up certain pension rights often have a fear of moving to other companies or other places of employment. They fear they will lose all their pension benefits. The Economic Council report suggests that there be a

vesting of pension rights. I should like to quote paragraph 32 of the report:

> Vesting of pension rights, which is a guarantee to the worker of an equity in his pension plan based on all or part of his accrued pension credits should he leave his job prior to the time that he becomes eligible for retirement, tends to make the pension structure more flexible, thus increasing the potential mobility of the worker.

There are some further recommendations which are listed under "financial measures". One of these is severance pay, another is unemployment benefits and mobility allowance. The Economic Council report recommends that employers set up funds for phased out workers in these three areas. On the subject of severance pay, the report says:

> The purpose of severance pay is to provide a lump sum cash benefit to workers who become permanently separated from their firms due to technological or other changes.

Supplementary unemployment benefits would be supplementary benefits to those provided by the government unemployment insurance scheme. Mobility allowances would be mobility allowances in addition to the government program of mobility allowances and these would be provided by the company. Benefits of this type have already been won in many instances by workers through collective bargaining. I refer particularly to the steel industry, to the meat-packing industry and the rubber industry in the United States.

Again, I should like to refer to the paper prepared by Mr. Kassalow, the research director of the C.I.O-A.F.L. in which he refers to benefits of this type:

> For the successful handling of automation and related problems there must be increasing acceptance in collective bargaining of the concept that workers have a property right in their jobs. With this in mind: "the cost of obsolete workers should be viewed as a charge on industry just as rational as the cost of machinery."

I think that is a very important principle that we must accept, Mr. Speaker, because if they can accept the principle that they provide for obsolescence of machinery, they can as well provide for the obsolescence of the job performed by employees, the employees themselves being much more important.

• (5:50 p.m.)

Before I leave this particular report dealing with manpower adjustments to technological change, I should remind the house that the Economic Council is a group which has very good representation from labour, management and nearly all provinces in Canada, and therefore the recommendations made in this report carry a lot of weight.

[Mr. Allmand.]

The other report of the Economic Council to which I referred, entitled "Towards Better Communications Between Labour and Management" deals mainly with labour-management consultation. I suggest that if on both sides we are to have the exchange of knowledge and information with respect to technological change as recommended in the report I have just referred to, we must have the institution of procedures for consultation.

In the report the Economic Council states this:

> The main instrument to bring about a system of effective communication and consultation at the plant level is through joint consultation committees, operating on a continuous basis. These committees would consider all matters that are not usually reserved for collective bargaining, or fall within the procedures for settling grievances arising out of the interpretation, administration or alleged violation of the collective agreement. In other words, these committees—

This point is important, Mr. Speaker.

> —would assist and supplement but not interfere with the collective bargaining process and established grievance procedures for dealing with the administration of the collective agreement.

For many years now the federal government has been encouraging the formation of labour-management consultation committees. This has been successful in some respects, but it must be recognized that there is still some suspicion of this process. I think if these committees were understood in their proper context they would be acceptable and would do a lot to relieve the employees from the shock they experience at the introduction of technological change.

Before I close, Mr. Speaker, I should like to mention that in the United States tripartite committees consisting of labour, management and government have been set up to deal with technological change. Although it is important that labour and management consult on a continuous basis, I think it is also important that government keeps in very close touch with both labour and management so that it can plan its legislation and departmental programs to work together with management and labour, as well as enable the government to formulate its other programs which are not directly under the labour department but which do a lot to help workers who have been phased out by technological change. Here I think of the war on poverty program, and programs to revitalize potential abandoned towns, the establishment of new industries, better transportation policies in areas newly affected by technological change, the building of technical schools, and so forth.

In conclusion, Mr. Speaker, I think we have to accept that technological change at a very rapid pace is with us to stay that it is essential that we work with it and not against it. There should be no delay or suggestion of delay in the implementation of technological change. There should be no featherbedding. On the other hand, everything must be done to protect the workers and to lighten the blow to those workers who are phased out by technological change.

Although I welcome the introduction of this particular resolution, Mr. Speaker, as I said at the beginning I am surprised that a man so close to the railway unions was not aware of the fact that there were collective agreements signed during this past winter which implemented many of the recommendations which the hon. member is making in his resolution.

Mr. Deputy Speaker: Order. The time allotted to the hon. member has expired.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, my first words will be to express my appreciation to the hon. members for Notre-Dame-de-Grâce and Peterborough (Messrs. Allmand and Faulkner) who made quite elaborate speeches which will not fail to clarify every angle of the situation.

I have read with considerable interest the resolution put on the order paper by the hon. member who introduced it in the house, and I think he also deserves appreciation for the generous intention that leads him to pursue his efforts to improve the fate of the workers.

Mr. Speaker, a closer consideration of the resolution, however, inspires certain reservations. First of all, the resolution as introduced should be analysed.

It will be noted first that this resolution talks of "technological innovations" which would "materially" affect... The word "materially" causes some concern, because the idea of the mover of this proposition is not truly understood. It is difficult to realize his purpose when he speaks of technological innovations which would "materially affect" the working conditions. To my mind, the expression is too vague to command full support of the wording of this resolution.

[*English*]

Mr. Deputy Speaker: Order. The hour for the consideration of private members business has expired.

BUSINESS OF THE HOUSE

Mr. MacLean (Queens): Mr. Speaker, I wonder whether the house leader could give us an outline of the proposed business for tomorrow, and preferably for the next few days.

Mr. MacEachen: Mr. Speaker, I mentioned earlier in the week that we would be dealing with legislation tomorrow, but since then it has been decided that tomorrow we will deal with the estimates of the Department of External Affairs. On Friday we propose to take the estimates of Indian Affairs and Northern Development.

On Monday we will take the estimates of Finance; on Tuesday Defence Production; on Wednesday Energy, Mines and Resources. On Thursday we propose to take the resolution—if it is on the order paper—dealing with the Cape Breton Development Corporation. On Friday we will take the estimates of the Registrar General.

Mr. MacLean (Queens): I presume that that sequence will be followed, even if perchance the estimates of the department are finished in less than one day.

Mr. MacEachen: Yes, that is the proposal. If for example northern development were finished before the end of the day on Friday, we would then take finance.

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

HOUSE OF COMMONS

Thursday, June 8, 1967

The house met at 2.30 p.m.

[*Translation*]

NEW MEMBERS

Mr. Speaker: I have the honour to inform the house that the Clerk of the House has received from the Chief Electoral Officer the election certificates of Mr. Jacques-R. Tremblay for the electoral constituency of Richelieu-Verchères and of Mr. Pierre Caron for the electoral constituency of Hull.

• (2:40 p.m.)

COMMITTEES OF THE HOUSE

First report of standing committee on industry, research and energy development, in English and French—Mr. Asselin (Richmond-Wolfe).

[*English*]

First report of special joint committee on divorce—Mr. Cameron (High Park)

[*Note: Text of the foregoing reports appears in today's Votes and Proceedings.*]

MR. JUSTICE LANDREVLLE

RESIGNATION AS JUDGE OF SUPREME COURT OF ONTARIO

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, I wish to announce that I have received a letter of resignation from Mr. L. A. Landreville, and that the government has decided to accept his resignation as a justice of the Supreme Court of Ontario. Since the house has shown some interest in this matter I thought it might want to give me permission to table a copy of this letter.

Mr. Speaker: Does the house agree to the minister's suggestion?

Some hon. Members: Agreed.

Mr. Brewin: Mr. Speaker, would this be an appropriate time to ask the Minister of Justice a question regarding the matter to which he has just referred?

Mr. Speaker: I do not think so. The question might be asked when we reach that item in today's order of business.

INDUSTRY

CAPE BRETON—INQUIRY AS TO ESTABLISHMENT OF CROWN CORPORATION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, instead of asking questions regarding international affairs, because an opportunity will be presented later today to do so, I should like to ask the Prime Minister whether he received a telegram from the priests of Antigonish diocese per Reverend James McMullin, pointing out the need for the immediate establishment of a crown corporation for industrial development in Cape Breton to check the serious and, as described in the telegram, rapidly worsening unemployment situation in the Cape Breton industrial area. In view of the fact that 200 men were laid off at the Sydney steel plant last week and 90 are being released today, I should like to ask whether the act that was promised six months ago, which is still in the embryonic stage, will be brought forward—

Some hon. Members: Order.

Mr. Diefenbaker: Let me say to the hon. members who have interrupted that a statement was made yesterday to the effect that the resolution was on the order paper, therefore it must be still in the embryonic stage. Will the government bring this matter forward tomorrow in view of the serious and appalling situation in Cape Breton?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have received the telegram and it will be dealt with immediately. The legislation in question will be brought forward next week.

SYDNEY, N.S.—REQUEST FOR ASSISTANCE FOR STEEL INDUSTRY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, in the absence of the Minister of Industry perhaps I may direct a question to the right hon. Prime Minister regarding the steel industry in Cape Breton. Has it been drawn to his attention that a notice has now been posted to the effect that unless conditions improve, in addition to the 300 men laid off in the last few days another 400 men will

be laid off on June 18? Is it true that some orders for the manufacture of steel rails for export have to be cleared by the government, and will the Prime Minister take this matter in hand to see that these orders are cleared as quickly as possible so the anticipated lay off on June 18 may not materialize?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, if I might answer about the steel rails, the government approved the credit for a contract on Tuesday of this week, and it was announced forthwith, in the amount of some $9 million covering a sufficient quantity of rails to provide work for some 24 to 28 weeks.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. Is the government taking any other action to prevent the rapid deterioration of the employment situation in the steel industry of Cape Breton?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we are taking the most far reaching action that has been taken by any government in this matter.

Mr. Diefenbaker: It is far reaching inaction.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Regardless of what the Prime Minister said, would he ask the Minister of Industry, the Minister of Trade and Commerce and his cabinet to carry out a complete investigation into the operations of this company, before we end up with no steel industry at all in Sydney?

Mr. Pearson: Mr. Speaker, perhaps that should be done in conjunction with the premier of Nova Scotia.

Mr. Starr: Passing the buck again.

Mr. Muir (Cape Breton North and Victoria): Mr. Speaker—

An hon. Member: Sit down.

Mr. Muir (Cape Breton North and Victoria): Perhaps the hon. member who said "Sit down" would rise and identify himself. It would be interesting to see who it was.

Mr. Speaker: Order, please. Would the hon. member ask his supplementary question.

Mr. Muir (Cape Breton North and Victoria): As a supplementary question, Mr. Speaker, may I ask the Prime Minister whether he has now changed his opinion that this is a responsibility of the federal government, as has been stated and intimated by the cabinet member from Nova Scotia?

Mr. Speaker: Order, please.

Mr. Muir (Cape Breton North and Victoria): It depends on the situation, doesn't it?

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, my supplementary question is for the Prime Minister but I would also direct a question to the Minister of Trade and Commerce and ask whether he would care to amend the statement he made about the 28 weeks' employment. My main question, however, is to the Prime Minister and I would ask, in connection with the Cape Breton development corporation, whether it is the intention of the government, as indicated previously by the Prime Minister, that steel will play a prominent part in this development corporation and will be the basis upon which new industry would be founded within the province.

Mr. Pearson: Mr. Speaker, I hope my hon. friend will be satisfied on this score when he sees the legislation next week.

Mr. Diefenbaker: The resolution is not yet ready.

Mr. MacInnis (Cape Breton South): As usual, no answer.

[*Translation*]

INDIAN AFFAIRS

VAL D'OR, QUE.—INQUIRY AS TO TRANSFER OF OFFICE

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the Minister of Indian Affairs and Northern Development.

The minister has just announced the transfer of the Indian Affairs office from Amos to Val d'Or, in Abitibi. Could he tell us whether the Indians of the territory have been consulted and how?

Mr. Speaker: The hon. member will readily agree, I am sure, to put his question on the order paper.

[*English*]

UNITED NATIONS

MIDDLE EAST—POSSIBLE USE OF TRUCE SUPERVISORY ORGANIZATION

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. In view of the statement yesterday by Ambassador Ignatieff to the effect that the UN truce supervisory organization, rather than the emergency force, would or may be the best way of re-establishing a UN presence in the Middle East along the cease fire lines, has this organization been regrouped and coordinated, and has Canada made any preparations to provide additional personnel when they are required, which we hope will be immediately?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, would my hon. friend agree that this question might be answered when we come to the estimates, which will be right after the orders of the day?

Mr. Olson: Yes, Mr. Speaker.

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I have a question—

Mr. Speaker: Order, please. May I suggest to hon. members that they might refrain from asking questions of the same nature as the one asked by the hon. member for Medicine Hat, inasmuch as in a few minutes we will go into committee to consider the external affairs estimates.

Mr. Harkness: Mr. Speaker, I wanted to ask the Secretary of State for External Affairs whether the supervisory truce commission personnel are taking any part in the cease fire between Israel and Jordan.

Mr. Martin (Essex East): Yes, Mr. Speaker.

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask the Secretary of State for External Affairs a question concerning the truce supervisory commission or the United Nations observer corps on the borders of Israel and Syria and the borders of Israel and Jordan. Is the report accurate that one of these men was killed yesterday, and what steps are being taken to provide for the safety of Canadian members of this commission under the present situation of war that prevails?

Mr. Martin (Essex East): I cannot confirm officially that one member of the United Nations truce supervisory organization has lost his life. There has been a story to that effect. So far as I know, no Canadian officer is in that locality.

Mr. Churchill: Are the members of this commission obliged now to make observations with regard to military attacks that are occurring?

Mr. Martin (Essex East): They are carrying out their duties to the extent that is possible.

MR. JUSTICE LANDREVILLE

INQUIRY AS TO PENSION ELIGIBILITY FOLLOWING RESIGNATION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I know the Minister of Justice is waiting for a question in regard to the resignation of Mr. Justice Landreville. As a result of having resigned voluntarily, will the judge be eligible to receive the bounty of a pension for a retired judge?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, that is hardly a question; it is a commentary.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Trudeau: I can only say that as far as I know there is no question of bounty.

Mr. Diefenbaker: Then let us get a comment from the minister: Will Justice Landreville receive a pension? Is that a commentary?

Mr. Trudeau: Mr. Speaker, I understand this question. I think it is very much the type of matter to which the government might well give some consideration.

Some hon. Members: Oh, oh.

Mr. Andrew Brewin (Greenwood): I have a supplementary question, Mr. Speaker—

Mr. Speaker: May we have order, please.

Mr. Brewin: If the Minister of Justice would direct his attention to me for a minute I will put my question. Is there anything in the correspondence leading up to the resignation and the acceptance of the resignation of

Mr. Justice Landreville which mentions or deals with the question of a pension?

Mr. Trudeau: Mr. Speaker, I have had no correspondence with Mr. Justice Landreville, and I do not think any member of the government has since I have assumed office as Minister of Justice. There has been some correspondence over the past months—

Mr. MacInnis (Cape Breton South): When did the minister get the letter of resignation?

Mr. Trudeau: I must say I have seen no correspondence wherein the question of pension is raised by any member of the government.

TRADE

REQUEST FOR CLARIFICATION OF SITUATION RESPECTING ISRAEL

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Was the head of the Export Credits Insurance Corporation speaking on behalf of the government when he issued a statement to the effect that Israel will be unable to pay its debts to Canada?

Hon. Robert Winters (Minister of Trade and Commerce): No, sir, no such statement was authorized. Mr. Aitken, president of the Export Credits Insurance Corporation, did make a reply in response to a question, but I do not think it was in that vein.

Mr. Nesbitt: I have a supplementary question, Mr. Speaker. Would the minister look into exactly what was said and, if what was alleged is true, have Mr. Aitken either retract or correct his statement, which is very damaging to Israel?

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce on the same subject but put in a different way, and ask him whether in view of some misunderstanding which has arisen because of a statement made by Mr. Aitken, to which the hon. member for Oxford has referred, the minister would clarify Canada's policy regarding trade with Israel.

Mr. Winters: Mr. Speaker, I thank the hon. member for giving me notice of his intention to ask the question. I will be very glad to reply. For some years the Canadian government, in view of the unsettled situation in the Middle East, has exercised caution in authorizing exports of military equipment to countries in that area. Some exports of parts for non-combat piston aircraft and non-combat vehicles received authorization after careful consideration.

On receiving word of the outbreak of hostilities on June 5, the government acted promptly to stop any shipments of military equipment from Canada to the countries reportedly involved. No action has been taken to impose new export controls on ordinary commercial transactions in non-military goods. The shipment of non-military goods is presently at the discretion of shippers and is subject to the availability of transportation. No change has been made in Canada's trade relations with countries in the area.

Some steamship lines that serve the Middle East are rerouting their ships to avoid the Suez canal. Some are not presently accepting cargo for eastern Mediterranean and Arabian ports. The services of the trade commissioner posts in the area remain available to Canadian exporters. There may, however, be some delays, which I think is understandable, in servicing business inquiries, resulting from the present situation.

Mr. Lewis: Would the minister clarify the situation further with regard to one point? Will exports to Israel or any other Middle East country remain eligible for insurance under the Export Credits Insurance Corporation?

Mr. Winters: Yes, on the question of eligibility. But they will have to be examined in the light of existing risks, as are all other applications for credit.

TRANSPORTATION

PROCLAMATION OF LEGISLATION RESPECTING RAIL LINE ABANDONMENTS

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Last Thursday, Mr. Speaker, I asked a question of the Acting Minister of Transport, who indicated that the minister would be replying upon his return. I wonder if the minister can now inform the house when part I of the new transportation act will be proclaimed, so that western communities might be provided with protection under its terms in connection with railway line abandonment procedures.

Hon. J. W. Pickersgill (Minister of Transport): I cannot say. I indicated quite recently that I was not in a position to say when part I would be proclaimed. I did indicate quite

some time ago, and I am happy to be allowed to repeat it now because the question has some urgency, that the procedures laid down in the amendments approved by parliament with respect to rail line abondonment will be followed whether the Board of Transport Commission hears the cases or the new commission hears them.

Mr. L. R. Sherman (Winnipeg South): May I ask a supplementary question of the Minister of Transport, Mr. Speaker. Can the minister say when the new Canadian transport commission will be appointed?

Mr. Pickersgill: Well, it cannot be appointed in full until part I is proclaimed. I am advised, however, that it would be possible to appoint one or two officers, if that was deemed advisable, in order to do the work preparatory to the establishment of the commission. One difficulty, of course, is that once the commission is established, it must start to operate at once because the existing boards go out of existence the same day.

Mr. Dinsdale: May I ask a further supplementary question. Can the minister assure the house that no railway line abandonment hearings will be heard until such time as the commission is in operation?

Mr. Pickersgill: No, sir, I do not think that would be a reasonable thing for me to do, nor would it be in accordance with the law as passed by parliament. It is highly improbable that any new applications will be heard, but it should be remembered that some of these applications were made more than four years ago. They were stayed for a very long period; and since a transitional period was provided for under the act, it does not seem to me it would be fair to disregard the law enacted by parliament last session.

Mr. Thomas M. Bell (Saint John-Albert): May I ask a supplementary question for clarification. Is it possible to have abandonment hearings under the old procedures, or does the minister now consider that abandonment hearings will be held under the new procedures?

Mr. Pickersgill: I gave the assurance—

Mr. Speaker: Order. I would think the hon. member is now asking for an interpretation of the law, and the question as such is not acceptable.

Mr. Pickersgill: I wonder if I may be permitted to clear up this point.

Mr. Speaker: Order, please. The minister is asking for the indulgence of the house to clear up a statement. Does the house agree?

Mr. Pickersgill: I beileve there is a great deal of public interest in this matter, sir, so I should like to make it as clear as possible that the new procedures will be followed in the hearing of any applications by the Board of Transport Commissioners in the interval before the new commission is established.

Mr. J. H. Horner (Acadia): A supplementary question, Mr. Speaker. Did the minister not say during the transportation bill debate that no applications would be heard until the new board was set up? The new board, we were told, would establish a costing system under which the same principles would apply both to lines to be abandoned and lines to be retained. I am sure the minister will remember stating in the debate that the new commission would handle these applications.

Mr. Speaker: Order. I think we have heard enough clarifications now.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, on a question of privilege, the minister stated in this house that he had been authorized by both railways to announce that all applications would be withdrawn on the day the bill went through parliament. So if all the old applications were withdrawn, these other applications must be new. This is in direct contradiction to what was said in this house.

Mr. Speaker: Order. The hon. member may be right, but that is not a question of privilege.

[*Later:*]

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is directed to the absent minded Minister of Transport. May I ask the minister whether he regards the proceedings to be held later this month, in which the Board of Transport Commissioners will hear the Canadian Pacific Railway application for abandonment under the old section 168 rather than the new section 134 to be a violation of his solemn assurance given to this house last fall.

Mr. Speaker: Order. That question is not acceptable.

Mr. Schreyer: Ten o'clock.

Inquiries of the Ministry

[*Translation*]

LABOUR RELATIONS

REPRESENTATION OF UNIONS BEFORE BOARD

On the orders of the day:

Mr. Alcide Simard (Lac-Saint-Jean): Mr. Speaker, my question is directed to the Minister of Labour, but in his absence I shall put it to his parliamentary secretary.

Did the Minister of Labour provide that in case of an inter-union conflict involving an affiliate of the C.L.C. and an affiliate of the C.N.T.U., these two movements must be equally represented, namely by two representatives each.

Mr. Speaker: I do not believe that the question is in order at this time.

[*English*]

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, one week ago today I asked a question of the Minister of Transport which was taken as notice by the acting minister. As reported at page 825 of *Hansard* for June 1 I asked whether the minister had received a telegram from local 2231 of the United Steel Workers of America at Amherst, Nova Scotia, and if steps could be taken in calling for tenders for the extension to the Pugsley terminal wharf requiring the use of domestic materials in order to provide some 15,000 to 20,000 man hours of employment in the steel industry, where unemployment is quite prevalent.

Has the minister had time during the last week to look into this matter, and can he give a reply today?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I did have some information about this matter, but I apologize to the hon. gentleman because I have not got it with me, and I would not like to trust my memory, particularly since my recollections have so recently been called into question.

Mr. Douglas: A supplementary question, Mr. Speaker. In view of the urgency of the matter about which I asked the minister, and in view of the fact that tenders are to be called this week, could the minister undertake to give me an answer tomorrow to the question I submitted a week ago?

Mr. Pickersgill: I will do my utmost, sir.

[Mr. Schreyer.]

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 also for the Minister of Transport. Similarly I directed a question to the acting minister in the minister's absence, but nothing came of it at all despite my compliments to the acting minister. Can the minister himself now answer my question, which had to do with increased accommodation for passengers of Air Canada to and from western Canada?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I have very grave doubts whether increased accommodation could be provided without increasing the number of planes, and I do not think any planes would be available unless they were taken off some other routes. I know that the hon. gentleman, with his broad national viewpoint, would not want to suggest that, but if he can tell me where any additional planes can be had or can be brought into Canada by any air line, I would be glad to have that information.

Mr. Churchill: A supplementary question, Mr. Speaker. The members of the house are here to find out from the minister whether he has any knowledge at all of these matters. I am not the one to provide him with knowledge as to what should be done with regard to the provision of transport, though I would be very glad to do so because things might thereby be improved.

Mr. Pickersgill: The hon. gentleman would be very welcome to.

TRANSPORT

REQUEST FOR DISCUSSION OF FERRY SERVICE BETWEEN SAINT JOHN, N.B. AND DIGBY, N.S.

On the orders of the day:

Mr. J. P. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I have a question which is directed to the Prime Minister, of which I have given him notice. Has the Prime Minister received a request to meet a delegation from western Nova Scotia to discuss the woefully inadequate ferry service between Digby and Saint John? If so, what has been his reply?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the association in question has not been in touch with me directly but it has

exchanged correspondence with my colleague the minister of health and welfare. The request they made in their correspondence is now receiving consideration.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a supplementary question for the Minister of Transport. Is the minister of the same mind regarding this Digby-Saint John ferry service in view of the recently published Atlantic provinces transportation study and the remarks made therein? If so, can the minister give us an up to date progress report on how the study of the particular service—

Mr. Speaker: Order. It seems to me that the hon. member is asking for information which should be conveyed to the house at the time of ministerial statements on motions, rather than by way of reply to a question.

Mr. Bell (Saint John-Albert): Then may I rephrase my question, Mr. Speaker. Has the minister any information on this study as it relates to the Digby-Saint John ferry service and, if so, when will it be made available?

Mr. Pickersgill: Mr. Speaker, we are conducting very active negotiations with the Canadian Pacific Railway with a view to finding the best method of improving this service at the earliest possible date.

NATURAL GAS

INQUIRY AS TO CONSTRUCTION OF NEW TRANS-CANADA LINE

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. In view of the statement made yesterday by Trans-Canada Pipe Lines that they would be forced to ration gas to the utility companies in eastern Ontario unless construction of additional facilities was started almost immediately, can the minister advise what action he or the government has taken to speed up a decision and to get this construction under way almost immediately?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, the alternative proposal of Trans-Canada Pipe Lines is presently before the National Energy Board. I presume that a decision will be taken in time to permit the looping of the present Northern Ontario line if the Great Lakes project is not approved by the federal power commission. As my hon. friend knows, this has been a very difficult situation. On our recommendation Trans-Canada presented an alternative project, which was attacked by the distributing companies at first. The distributing companies have now abandoned their own alternative projects. The whole matter is before the National Energy Board, and I cannot prejudge their decision.

Mr. Olson: A supplementary question, Mr. Speaker. Could the minister give any indication when he expects the federal power commission of the United States to hand down its decision on the Great Lakes project?

Mr. Pepin: That is still a military secret, Mr. Speaker.

HARBOURS

KITIMAT, B.C.—POSSIBLE USE FOR EXPORT OF OIL

On the orders of the day:

Mr. H. R. Ballard (Calgary South): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the interest being shown in the harbour facilities at Kitimat, B.C. for the export of oil from the Athabasca tar sands, will the minister either now or in the near future make a statement on the government's position relative to the use of this port for large tonnage ocean vessels?

Mr. Speaker: Order, please. I do not think this question is acceptable.

Mr. Pickersgill: I think the use of this port will increase rapidly.

Mr. Speaker: Order, please.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I wish to direct a question to the hon. Minister of Manpower and Immigration. Can he tell us whether he has recently met the officials of the organization known as the Estates General of French Canada, and whether this organization has asked a subsidy from the government?

Mr. Speaker: I suggest that the hon. member should place his question on the order paper.

[*English*]

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

• (3:10 p.m.)

1. Administration, operation and maintenance, including payment of remuneration, subject to the approval of the Governor in Council and notwithstanding the Civil Service Act, in connection with the assignment by the Canadian government of Canadians to the staffs of the international organizations detailed in the estimates and authority to make recoverable advances in amounts not exceeding in the aggregate the amounts of the shares of those organizations of such expenses, and authority, notwithstanding the Civil Service Act, for the appointment and fixing of salaries of commissioners (international commissions for supervision and control in Indo-China), secretaries and staff by the Governor in Council; and authority, notwithstanding the Civil Service Act, for the appointment and fixing of salaries of high commissioners, ambassadors, ministers plenipotentiary, consuls, secretaries and staff by the Governor in Council; assistance and repatriation of distressed Canadian citizens and persons of Canadian domicile abroad, including their dependents; cultural relations and academic exchance programs with other countries (Details, page 118), $42,260,000.

The Chairman: Order, please. House again in committee of supply, estimates of the Department of External Affairs for the fiscal year ending March 31, 1968. Vote No. 1 is to be found on page 116 of the blue book of estimates, with the details thereof listed on page 118. Shall vote 1 carry?

Mr. McIntosh: On a point of order, Mr. Chairman, I was under the impression that the estimates of the Department of External Affairs were referred to the external affairs committee. How is it that they have come back to the house?

Mr. MacEachen: If I might speak to the point of order, prior to the adoption of the most recent rule change the point raised by my hon. friend would have been correct. The change recommended by the committee on procedure and adopted by the house provided that estimates can be dealt with concurrently in a standing committee and in the committee of supply. We considered yesterday whether it would be necessary to move a special motion to withdraw the estimates from the standing committee, but I believe a reading of the rule changes makes it clear that we have the flexibility to deal with estimates concurrently in a standing committee and the committee of supply.

Mr. Churchill: Which rule is that?

[Mr. Speaker.]

The Chairman: May I read to the committee provisional order No. 5(g) to be found on page 51 of the book of provisional orders:

(g) When estimates are referred to standing committees they shall be referred without prejudice to the right of the commitee of supply to consider those same estimates, whether or not the standing committees have reported on them.

Right Hon. L. B. Pearson (Prime Minister): Mr. Chairman, in rising to take advantage of this procedure to initiate a discussion on external affairs and, more particularly, on developments in the Middle East, I hope I will not be considered discourteous if I am not able to remain in the house after my own contribution because of engagements which are very difficult indeed for me to change.

Mr. Chairman, since we last discussed external affairs on May 24 there have been tragic and dangerous developments in the Middle East, developments resulting in armed conflict, in bitter fighting, much loss of life and great destruction in that holy land. It is sad—it is more than sad—to read in the press reports of fighting in Jerusalem, of an armoured column moving against Nazareth, of firing in Bethlehem; but that is what has happened.

The United Nations security council, which has been exercising the responsibility given to it under the charter as the principal agency of the United Nations for the maintenance of international peace and security in avoiding the scourge of war has, as hon. members know, been successful in passing a resolution calling for a cease fire. That was the night before last. It is regrettable indeed that a resolution was not passed some days ago which might have put the support of the security council and all its members behind the Secretary General in a way which might have made the cease fire resolution unnecessary.

Hon. members will recall that the Canadian delegate on the security council did his best to introduce a resolution of this kind at the very beginning of the crisis. Indeed, it was on his initiative and that of the member of the council from Denmark that the council was called together at once. But nothing was achieved by that earlier initiative. Some members of council who at that time objected to this initiative have recently become the most articulate in demanding that action in regard to a cease fire be taken at once—now.

There is no quarrel with that position which is being taken, but it is unfortunate that a position along these lines was not taken by them some days ago. Perhaps this is an

example of the interrelationship, the interaction of military developments and diplomatic activity. In any event, so far as the United Nations is concerned the cease fire resolution was adopted unanimously. I think we can all take satisfaction from the fact that the resolution was concurred in by all permanent members of the council as well as the non-permanent members.

That cease fire resolution, according to the information I had received up to the time I came into the house, has been accepted by only one country involved in the fighting—Jordan. It has been accepted by Israel, with the not unreasonable qualification that their acceptance depends on the acceptance by the other governments and peoples engaged in the fighting. It has not been accepted by any Arab state except Jordan.

The Canadian member of the security council, Mr. Ignatieff, who is acting with great effectiveness and distinction as a member of the security council, as you would expect—

Some hon. Members: Hear, hear.

Mr. Pearson: —yesterday introduced a resolution, not to delay the cease fire resolution but to give the president of the council and the Secretary General of the United Nations the authority of the council in doing all they can to see that the cease fire is carried out. That resolution is now before the security council. I think the council is meeting at this moment. It is to be hoped that that resolution, or a better one if it can be evolved by any amendment, or another resolution, may be adopted by all members and especially by the permanent members, so the authority of the United Nations can be brought to bear on any efforts the Secretary General or the president of the council can make to ensure that this cease fire is not only adopted but made effective after adoption.

• (3:20 p.m.)

Mr. Diefenbaker: Would the Prime Minister allow a question? What has the government in mind as to means whereby the cease fire will be made effective? Is it the suggestion that troops will be sent to the area in question to preserve and enforce the peace, or is this merely a generality?

Mr. Pearson: I am coming to that later, Mr. Chairman. At the moment I can only say it would be premature to speculate on what kind of action may be required and may be possible until the representatives of the United Nations, the Secretary General and the president of the council, or anybody else agreed on by the security council, can get to the spot and then report as to what may be required. Later I will have something to say about the machinery that is already there.

Although it may take a certain amount of time, I think it is important to examine the background of the present situation. That is almost essential if we are to understand what has happened recently, and the difficulties that are now facing and will continue to face the United Nations even if the fighting stops under the resolution calling for a cease fire. The origin of the recent tragedy, the recent conflict, goes far back, years back, into earlier failures of the United Nations to deal with what used to be called the Palestine question, in a way that not only provided for a state of Israel but provided for that state living in peaceful co-operation with its neighbours.

Mr. Chairman, I am informed by a note just sent to me, if I may revert to what I said a few moments ago, that the Secretary General has just read to the security council a message from the representative of the United Arab Republic to the security council, that the U.A.R. accepts the cease fire provided that Israel stops fighting.

Some hon. Members: Hear, hear.

Mr. Pearson: At least these two governments presumably are in agreement on that point, that they both should stop fighting.

The earlier failures have a direct bearing on what has happened in recent weeks and months and years. The prelude to the immediate struggle has been certain moves by the U.A.R. in recent weeks to meet a situation which they claimed was threatening their security and threatening the peace. They were thinking especially of incidents and counter incidents on the Israeli-Syrian border.

There are two elements of the situation which are before us now and that also go back a good many years, elements which I think should be mentioned before we can deal with what can be done to improve the situation at the moment. One which has been very much in our minds is the situation regarding innocent passage through the straits of Tiran into the gulf of Aqaba which, when it was considered ten years ago in the United Nations, in 1956-57, was felt to be a very important matter both in terms of international law and in terms of Israeli development and survival. But it is a much more important matter now because of the developments that have

taken place on the coast of the gulf of Aqaba, occupied by and now part of the state of Israel, with a port that has been established there which is the main port for importing Israel's oil requirements.

The Canadian position in regard to this matter was made perfectly clear in the assembly of the United Nations on February 26, 1957, more than ten years ago. What was said then was reprinted in two white papers called "The Crisis in the Middle East" which, if hon. members have not read them recently, I think they would find very interesting in the light of the developments that have occurred in the last few weeks. What I said in 1957 in the general assembly on this particular point about the question of the gulf of Aqaba and the straits of Tiran, was:

In our view—

That was the Canadian delegation's view.

—it should be agreed and affirmed by us—

I meant the assembly.

—that there should be no interference with innocent passage through or any assertion of belligerent rights in the straits of Tiran.

We have not altered that position, Mr. Chairman. I repeated this in the House of Commons on March 15, 1957, as recorded at page 2355 of *Hansard* for that date, and I tried then to emphasize the danger that would be incurred in dealing with this matter in New York if some agreed action could not be taken that would be effective in dealing with this situation in the gulf of Aqaba. That position taken then is certainly relevant to the position that governments—including ours—have taken in the last few weeks on this question.

We take the position, in regard to the legal situation, that these are international waters and that the gulf of Aqaba is an international gulf. But if there is doubt about that legal question, and there is doubt about it, I would hope the matter can be settled by the International Court of Justice. Irrespective of the legal position, however, no action should be taken by the riparian states which would interfere with the right of access to the gulf.

As hon. members know, in 1957 a contingent of the United Nations emergency force occupied a strategic point called Sharm el Sheikh which commanded the navigation channel through the strait of Tiran. As was stated at that time in New York, that force was there to preserve the right of access to the gulf of Aqaba. Of course it has been my view, and I think the view of the house, that one of the measures leading to the difficulties that culminated in this conflict—it was a tragedy—was when the United Nations force was withdrawn from that point as well as from the border between Israel and the U.A.R.

All this does not mean that the United Nations emergency force was a failure. On the contrary, it was successful in maintaining the peace in that area for ten and a half years. Surely the conclusion to be drawn from this experience is that it is a time not for banishing United Nations forces but for stronger United Nations forces.

Some hon. Members: Hear, hear.

Mr. Pearson: Another conclusion that should be drawn is that when these forces are set up, in the way the force was set up ten and a half years ago by the United Nations, we should be as careful as it is possible to be that the basic authority of the forces is laid down, as I think for instance we have it laid down in regard to the United Nations force in Cyprus. It may be that the legal positions we took in 1956 and 1957, along with many other states, about the withdrawal of the United Nations emergency force may seem very academic now, but it won't be academic if the United Nations is asked to move in there again.

Therefore, Mr. Chairman, perhaps I may be pardoned if I go into that matter in some detail with a view to avoiding in future the difficulties we have encountered in recent weeks in regard to United Nations peace keeping.

• (3:30 p.m.)

On March 15, 1957, as reported at page 2357 of *Hansard*, I said:

But in the arrangements made and in the agreement which I have referred to—

That is the establishment of the United Nations emergency force on Egyptian soil.

—the United Nations, which established this force to do certain tasks, clearly has a right to be consulted as to whether and when these tasks have been discharged, as it would if they were to be extended. From this, it follows in our view, and this is the view of the secretary general also, that if Egypt should at any time make a request for UNEF's withdrawal, the appropriate procedure would be for that request to go first to the advisory committee on UNEF through the secretary general. There it would be discussed by the committee which was set up for that purpose by the assembly, and if necessary and desirable the whole matter could then be referred to the full assembly for decision. And therefore any question of whether UNEF should be withdrawn would become a matter for discussion with and decision by the United Nations.

As I said at that time, this was our government's understanding of the procedure which should be followed. It was not done on this occasion. I do not intend to be critical of the secretary general, because anyone who knows the circumstances under which he was operating at that time and the attitude taken by certain governments which had large contingents in the United Nations emergency force will appreciate the difficulties he was facing.

Mr. Lewis: Mr. Chairman, may I ask the right hon. gentleman a question? Did the secretary general consult at least with the advisory committee? I understand he did at one meeting.

Mr. Pearson: Yes.

Mr. Lewis: But only at one meeting.

Mr. Pearson: Yes. He had one meeting of a committee of contributors. There was a second meeting, but that meeting of the advisory committee took place after the decision had been made by the secretary general to recall the emergency force.

Again, I should like to refer back to 1957 in the hope that this kind of situation will not be repeated in the future. I shall quote from a memorandum I made about a conversation I had with Mr. Hammarskjold on March 12, 1957. The secretary general's position—Mr. Hammarskjold—was that Egypt could not order UNEF to withdraw without renouncing the consent given to the original entry of the force. This could not be done unilaterally because that agreement was conditional on the functions which the force was performing in Egypt in accordance with assembly resolutions. Undoubtedly—and I am referring to the secretary general's conversation with me—in considering the question of withdrawal the assembly would be primarily concerned with whether UNEF had completed the functions which the assembly had given it. If the assembly decided that these functions had been fulfilled, it would recommend that UNEF be withdrawn. However, if the assembly decided that UNEF's functions were not fulfilled it would probably recommend that the force should not be withdrawn. Either way, however, the assembly could do no more than recommend. It could not give orders to Egypt.

That, of course, is the situation now in respect of the operation of any United Nations force on any foreign territory. It can only give orders when it acts under chapter VII of the United Nations charter which deals with action as a result of a security council resolution. We know what has happened in this particular situation. UNEF was recalled. I think it is unfortunate that this happened. The Canadian contingent was recalled from UNEF in circumstances which were very unfortunate and unhappy indeed. They were recalled for reasons given to us by the United Nations secretary general who asked that we take such action in 48 hours. The reasons for this which he passed on and which had been sent to him by the government of the United Arab Republic were reasons which we did not accept. We let the government in Cairo know quite clearly that we did not accept them as valid in any way, shape or form.

A few weeks ago, when this crisis began, we were faced in the very beginning with the same old problem of ten years ago. We were faced with a statement of policy by the government of the United Arab Republic that passage through the gulf of Aqaba to Elath, the Israeli port, was to be denied and that, as well, UNEF was to be withdrawn. Well, we knew or should have known the significance of this. We had been warned ten years before in no uncertain terms as to the course Israel would take if that demand were made. They had said, and repeated a few weeks ago, that denial of free access through the gulf to their port would be considered by them as an act of aggression. They said that ten years ago, they repeated it a few weeks ago, and war broke out. The United Nations ordered a cease fire as they did in 1956. But, as in 1956, the problem remains, that is, the problem of dealing with the situations on the frontier and in the gulf and the ultimate problem of dealing with the relations between the state of Israel and its neighbours.

It is not enough to deal with these immediate situations. It is not enough to bring about a cease fire, important as that is. It is not enough even to stop the fighting, vital as that is. There are other problems which must be settled if the cease fire is to be effective in producing a peace settlement and peace. So we have the other problems which faced us in 1957 facing us again today. What about withdrawal of the forces from occupied territories, with or without guarantees? What about withdrawal of Israeli forces from Sharm el Sheik where they are now? They withdrew once before. They withdrew before on the very definite understanding and indeed, in so far as their bilateral relations with the United States are concerned, on the commitment that if they withdrew from Sharm el Sheik and other parts of the Sinai peninsula this would be done as part of a pledge which would

include a United States commitment to see that the gulf was kept open. I have documents here which confirm that. I am sure some of my hon. friends have read these documents. There is an aide-mémoire handed to the ambassador of Israel by the secretary of state of the United States on February 11, 1957. I venture to suggest that if that document had not been in the hands of the government of Israel it might have been most difficult if not impossible at that moment to get the Israeli forces back behind their original frontiers.

This particular document reads as follows:

> With respect to the Gulf of Aqaba and access thereto, the United States believes that the gulf comprehends international waters and that no nation has the right to prevent free and innocent passage in the gulf and through the straits giving access thereto.

Then it continues and the last paragraph reads as follows:

> In the absence of some overriding decision to the contrary, as by the International Court of Justice—

That decision might be taken in the future; we do not know.

> —the United States, on behalf of vessels of United States registry, is prepared to exercise the right of free and innocent passage and to join with others to secure general recognition of this right.

• (3:40 p.m.)

In speaking to that in the House of Commons at that time, on March 15, I associated myself with that principle and that point of view and emphasized that the withdrawal of Israel's civil and military forces from Sharm el Sheik was made not on an assurance contained in any general assembly resolution except that of February 2, which had been passed a few weeks before and was rather ambiguous in its terms, but on certain assumptions and expectations which the government of Israel had at that time and which they announced to the general assembly.

Mr. Lewis: Mr. Chairman, may I ask the right hon. gentleman whether any other members of the assembly expressed agreement with those assumptions stated by the government of Israel?

Mr. Pearson: Yes, Mr. Chairman, there were members of the assembly who questioned these assumptions and the stand taken by other delegates that there was or should be any package deal. The position taken by them was that Israel had been the aggressor at that time and that her forces should withdraw behind the line from which they commenced the aggression without any commitments, conditions or qualifications of any kind.

The government of Israel had a different point of view. Their forces did withdraw, but they withdrew on certain understandings which the government had received primarily from the United States. Mrs. Meir was their foreign secretary then and she made it perfectly clear for her government that this was the reason they were withdrawing at that time. That, of course, was not accepted by the assembly as such because the assembly insisted technically that the withdrawal should be unconditional.

Mr. Douglas: Was there some guarantee or any agreement signed by the United States, the Soviet union and France with reference to access to the gulf of Aqaba?

Mr. Pearson: Yes, there was a tripartite guarantee, which I think went back to 1950, guaranteeing the territorial integrity of Israel. The Soviet union did not take part in it, but since that time, in the latter 1950's, some doubt was thrown on the validity of that guarantee by certain statements of the Prime Minister of the United Kingdom. So far as I know, I do not think the government of Israel is relying very heavily at the present time or in recent months on that particular tripartite guarantee. There was a very real and genuine understanding on the part of the government of Israel that they should be guaranteed the right of access to the gulf, and it was on that understanding, they claim, that they withdrew their forces behind the lines from which they had begun to fight.

I mention all this because we are facing or may be facing very shortly a similar situation. This time I hope that during the very difficult diplomatic negotiations which will take place it is made quite clear just what is going to be the situation in these waters and on the U.A.R.-Israel boundaries before the necessary steps which should be taken are taken. I repeat that this can be done and I hope it will be done in agreement with the riparian states on the gulf of Aqaba and with the United Arab Republic. Every effort certainly should be made to bring about that agreement. This can be done if the will is there and without prejudice to the legal position, in order to maintain inviolate the Israeli point of view, the practical point of view, concerning the right of Israeli ships or ships

going to Israeli ports—there is only one—to use the gulf of Aqaba.

I have mentioned these two points, though they do go back into history, because we will be facing them both very shortly and it is well to know about the experience of the past in order to avoid the same mistakes in the future, if that can be done.

Perhaps I should say a word or two about the more general issue we face, I am not going to attempt to establish responsibility for today's tragedy. Undoubtedly that will be done in due course. However, I think in looking at the question of responsibility we must make a distinction between the occasion of the war and the causes of the war. I have already said that the causes of the conflict go very deep indeed. That is why, as I said a few moments ago, a cease fire and an armistice, if that follows, can only be considered as a means to an end. Nothing was done about this after 1956. Some of us gave warning at the United Nations at that time that if nothing was done to bring about peace and a lasting settlement there would be trouble. This has happened. Are we to repeat these failures as we again approach this problem, diplomatically, through the United Nations, this time through the security council? I think I am misquoting a famous quotation when I say, those who ignore the lessons of history are doomed to repeat its tragedies.

That is why our ambassador at the security council made a very short intervention after the cease fire resolution, although a very impressive one, in which he said:

> We note that the resolution is only a first step. We believe that the council must take advantage of the opportunity which this unanimously agreed resolution represents, to deal effectively and in an equitable manner, with fundamental problems which underlie maintenance of peace and security in the area. We cannot and we must not wait for another ten years with another crisis which will result again in fighting and bloodletting and bring us all once more to the edge of catastrophe.

It is perfectly clear from the experience of 20 years, since the state of Israel was founded, that only a fair and enduring peace, and it will not endure if it is not fair, and a political settlement can avoid another round in this dangerous game of brinkmanship on the edge of the abyss, indulged in not only by the states of that area but by the great powers as well.

As we have said in this house, on both sides, the frightening danger of this situation is not merely that Israel is in conflict with the Arab states, which is dangerous enough, but that behind the Arab states stands the U.S.S.R. and behind the state of Israel stands the United States and other countries. The two great superpowers are on different sides of an issue which could convulse the Middle East and in convulsing the Middle East could convulse the world.

I was talking about this the other night on a television program. I ventured to say this:

> It is a wonderful thing to have a peace preservation corps sent to an area of disturbance where there has been military conflict. It can patrol and police an armistice and a cease fire, but unless there is a political settlement it cannot stay there indefinitely. This applies not only to the Middle East, it applies also to Cyprus. So the United Nations operations in the field of peace preservation have to be related to United Nations operations in this field of political settlement.

I said the same thing ten years ago in New York when I was addressing a Jewish audience there. I said that the work of establishing the state of Israel remains unfinished as long as Israel's Arab neighbours resent and reject her. There is no peace on her boundaries, despite the healing presence of UN forces, and hence there is not that security for the future to which her gallant and hard-working people are entitled.

That must be the next objective to be achieved, a creative peace and security for Israel based on freedom and justice, something which I believe is as much in the interests of Israel's neighbours as it is of Israel herself. This must be a peace which is not only fair to Israel but fair to her neighbours. We accept the Israeli point of view in respect of some matters, when we believe they are in the right. But we are not unfair to the neighbouring Arab states. There have been times in the past when we have fought their case at the United Nations when we thought Israel was wrong. In any event a political settlement must be one that is acceptable to all the countries in the area, and that is not going to be a very easy thing to achieve.

• (3:50 p.m.)

What is the basis for such a political settlement and a more enduring peace than an armistice along with a state of war? We must not forget that in the almost 20 years since 1948 there has been an armistice but there has also been a state of war. I think I can only outline what I think is a possible basis, and there is nothing original in it.

There will have to be certain military withdrawals, after a cease fire, by negotiation and agreement. If the military status quo, or something approaching it, is to be restored

there must be certain political guarantees which will produce stability. This will require understanding on both sides and some firm and agreed decisions by the United Nations security council to back them up. That cannot be done unless the four permanent members of the security council can get together. I leave hon. members to form their own opinions about the ease with which this can be accomplished, notwithstanding the encouraging sign the other night when at least they agreed on a cease fire resolution. But to bring the Israeli forces back behind the borders of last week, without doing anything about the situation in the gulf of Aqaba, would not provide for peace but merely a temporary absence of hostilities.

So, I suggest, secondly, that regardless of the legal controversy, which can be sent to the International Court for decision, there should be no exercise by those who claim the right of sovereignty, whether that claim is valid or not—and I am not attaching any judgment to that—to interfere with any innocent passage through the strait of Tiran and the gulf of Aqaba to Elath, which should be recognized by all as an Israeli port.

The third point is that something should be done about the right of Israeli ships, which right was exercised by all other ships until a day or so ago, to navigate the Suez canal. There have been decisions by the security council of the United Nations affirming that right, but in practice the affirmation has not meant very much to Israel.

Back in March, 1957 again, the right hon. Leader of the Opposition asked me whether I agreed with "the statement made yesterday" by Mr. Dulles that the denial to Israel of the right of freedom of shipping in the Suez canal was an unlawful act on the part of Egypt. I said in answer to that question:

> Mr. Speaker, in regard to the first question the policy of this government—

And I am sure it is the policy of this parliament.

> —has already been stated, that in its view navigation of the Suez canal should be free to the ships of all nations, and that would include Israel.

The fourth point is the establishment once again, in spite of our somewhat disillusioning experiences in the last few weeks, of a United Nations presence in force between the armies that have been fighting, and a presence which will operate on both sides of the border. There has been a great reluctance on the part of Israel to allow United Nations truce observation groups to operate on her territory.

[Mr. Pearson.]

This is one respect in which I think she should change her policy and on which agreement should be reached.

Mr. Diefenbaker: Was it reluctance or refusal?

Mr. Pearson: She turned down the request that they should operate on Israeli soil, just as the United Arab Republic could have turned down the request that UNEF operate on her soil. This UN supervision could be done by enlarged observer groups, as we have already discussed in the house, under UNTSO, constituted and operating in accordance with effective and agreed arrangements to be worked out by the United Nations. That must be done.

I had an interesting exchange with the Secretary General of the United Nations about the withdrawal of the Canadian contingent from UNEF on such short notice. The Secretary General wrote me—and this letter has been made public—and paid great tribute to the work of the Canadians in this force and to the work of Canada in the interests of peace keeping. He said:

> Canada has thus given unstinting and vital support to UNEF both at the headquarters of the United Nations and in the field. Irrespective of the circumstances of the withdrawal of UNEF and the consequences of that withdrawal, ten and a half years of succesful service to peace is a historic achievement.

U Thant went on:

> Canada's large role in that achievement and your government's unfailing understanding of the requirements of UN peace keeping operations are widely recognized and appreciated here.

I replied to that letter the other day. I think this communication has also been made public. I thanked the Secretary General for his generous references to the men of our force and said this, which I hope will commend itself to members of the House of Commons:

> Despite current difficulties faced by the United Nations in the peace keeping field, I am hopeful that it will be possible to profit from the experience gained in UNEF and to use the lessons learned, to develop, in due course, within the framework of the United Nations, more effective machinery "to save succeeding generations from the scourge of war", in the words of the charter.

Then I went on:

> In the continuing effort that must be carried on to plan for United Nations peace keeping forces, organized and established in a way which will avoid the disturbing experience we have just gone through in the disbanding of UNEF, the United Nations can count on our full support. Recent events show that the work of the United Nations in the

field of peace keeping is not less, but more important than ever and that this work must include advance planning, so that United Nations peace keeping forces in the future will have a clear and strong basis on which to operate.

I think the house will confirm the support which I ventured to give in that letter for United Nations peace keeping. There is another basis for a settlement which has to be looked into.

Mr. Lewis: Mr. Chairman, before the Prime Minister continues I should like to ask him this question. Do I understand him to say that it would be sufficient to have an extension of the supervisory commission to keep the peace, and that another peace keeping force like UNEF would not be necessary or would be impossible of achievement?

Mr. Pearson: I think that if a presence of some kind is required, and I expect it will be, it will be easier and simpler to build on the foundation of what we have, which was established not by the general assembly, as was UNEF, but by the security council. This gives it a firmer basis of authority and operation, I think, than if it came about through a resolution of the United Nations general assembly.

The next point, Mr. Chairman, relates to what I have been saying about a United Nations presence. I would also hope that there could be a demilitarized zone on both sides of the border and that effective steps—I know they have been attempted, and the men of these observer groups have served with great courage and devotion—will be taken to prevent infiltration, terroristic acts and provocation on both sides.

There is one other element of a settlement which has to be dealt with and in some ways is the most difficult and complex of all. It is the refugee question.

Mr. Lewis: Mr. Chairman, I apologize to the right hon. gentleman—

Mr. Pearson: Not at all.

Mr. Lewis: —because I seem to be interrupting him. How can one give a guarantee about raiding and marauding without a United Nations force present?

• (4:00 p.m.)

Mr. Pearson: I do not know how one can give a guarantee about anything of this nature, but I am sure my hon. friend will agree it is a little more difficult to see that peace is kept on a border if there is activity on both sides going right up to the borderline which could conceivably be considered as provocative by the other side. If there could be a zone in between, it might be easier to continue that. That is all I have in mind.

Mr. Lewis: A demilitarized zone.

Mr. Pearson: Yes, a demilitarized zone.

Mr. Churchill: That is what they are fighting for in Viet Nam.

Mr. Pearson: I hope it will be a more effective demilitarized zone than in Viet Nam.

The other element in the situation is refugees. When the fighting ended in 1948 there were about 750,000 Palestinian Arabs who left their homes. I will not go into the pressures which were on them to leave but they left their homes and became refugees. There are one and a quarter million of them now, after nearly 20 years. They are maintained by the United Nations.

A real opportunity has never been given to these refugees to decide whether they could or would be willing to locate in other countries, and perhaps a sufficient effort has never been made to get at least some of them back to their homes in Israel. Of course the two things would go together. They have been tragically used as pawns in the game of Middle East politics, and unless a much more effective effort is made to deal with this situation than has been possible in the past it will not be too easy to be optimistic about the other elements of the settlement.

Those are the five or six elements of a political solution that I venture to put before the committee. Whether they could be successfully worked out in a political settlement I do not know because there is an issue which goes even deeper than any of the ones I have mentioned, the issue of deep fear and hostility on both sides, the Arab side and the Jewish side. Until that fear is removed somehow I do not think there will be peace in that area. Yet if it could be removed and at least a mutual acceptance on both sides could be built up, there is no doubt in my mind that the Arab states would be among the first and most important beneficiaries of that change through the help and co-operation that they could get from Israel.

I spoke about this once before at the United Nations and I hope the committee will forgive me, because I do not think I can improve on the words I used then, if I read the statement which I made at that time. It sums up my

own feeling about the whole problem. This was in February, 1957. It reads as follows:

As I see it, the problem is basically one of fear, fear which breeds distrust and animosity and conflict. There has been fear on the one side of extermination by neighbours whose hostility to the creation and continued existence of the state of Israel has been strong and unremitting. It is difficult for people to act with the moderation and restraint through which wisdom expresses itself if they believe that they themselves live in the shadow of destruction and are uncertain about their very survival as a nation.

The fear from which the people of Israel suffer, the fear which explains the violence of reprisals which they have taken against their neighbours, will be on the way to elimination when the Arab states are willing to recognize Israel as a sovereign state and its right to national existence within accepted boundaries and under conditions of life tolerable to its people. It must now be one of our major aims here to help set again in motion the forces which will lead to the early recognition of Israel in normal terms by its neighbours, and thus to the removal of fear.

On the other side, however, there is also fear which has led to extreme views, to extreme policies and to violence. Among the Arab states there is that deep and understandable apprehension that the displacement of population and the political tension already associated with the new state, most of whose citizens have come from abroad, a new state established in the midst of the Arab people, may be followed by still further dislocations owing to the pressure of immigration into Irael, backed as that state is by strong international pressures and international resources. There is a fear that Israel will yield to expansionist ambitions, which is the counterpart of Israel's own fear of Arab intentions. That has bred in the Arab world animosity and violence towards Israel. When that fear is dissipated we may count on moderation in the attitude of Israel's neighbours towards that state. As I see it, we cannot but agree that if Israel has a right to live and prosper, free from the fear of strangulation by its neighbours, the Arab states also have a right to feel confident that Israel will not attempt to expand its territory at their expense, the right to be assured that if Israel, however, should at any time develop such ambitions, it will receive no encouragement but meet only opposition on both the official and the non-official level from the outside world, an opposition which would result in the isolation of the state itself from any international assistance or support.

It is in this shadow of the past and present, the shadow of fear on both sides, that we have to consider the problem which is immediately before us.

That was the problem immediately before us in 1957 and it is the problem immediately before us in June, 1967. This time it is the security council of the United Nations, not the general assembly of the United Nations as it was ten years ago, which has the main responsibility to deal with it effectively.

Mr. MacIntosh: May I ask the Prime Minister a question? What were the factors which existed in the United Nations prohibiting or preventing a settlement with regard to international waters and a settlement with regard to the refugees?

Mr. Pearson: I do not want to go into the subject of international waters too deeply. Perhaps my hon. friend, the Secretary of State for External Affairs, who will be speaking on this later in the day, will explain it in more detail. However, I will say that one of the main difficulties with regard to the waters of the gulf of Aqaba has been that the United Arab Republic has certainly never recognized those shores, which extend for five miles at the end of the gulf, and the port of Elath as Israeli territory. That was the territory which Israel occupied after the armistice of 1948. The Arab states claimed that it never should be part of Israel. This complicated the position and gave them a case which they have used.

In so far as the refugees are concerned, I think the feeling among many of the refugees and many of the Arab governments was that they would want to keep these refugees and send them back to form a Palestinian Arab state if Israel were to disappear. They felt that if these refugees were scattered all over the world they might be happier individually but they would not be available for the day when Israel disappears and they move in. This has frustrated, in part at least, the efforts to deal with the refugee problem. There have been other causes also.

However, to return to the work of the security council—and these are my last observations—it was only because the security council was frustrated that the question went to the general assembly in 1956. We hope the security council will now discharge its responsibility in a way which will be fair to both sides, and this will depend largely on the attitude of the four permanent members, all of whom have a veto. I hope that as permanent members of the security council, with the responsibilities that go with the privilege of being given the right of veto, they will be able to meet and discharge that responsibility. It may be that a meeting should take place on the highest political level. Anyway, whatever machinery is adopted does not make any difference. It is the results that count. Even if the security council consisted of third secretaries of governments who spoke for their governments and passed the right kind of resolution, it would have the United Nations behind it. However it is done, I can only hope that the

security council will not only be able to enforce a cease fire, to bring about a cessation of fighting and movement of troops after the fighting, but it will also be able at least to begin the process which we have failed miserably to do in 20 years, the process of bringing peace and political settlement to the area.

• (4:10 p.m.)

Mr. Diefenbaker: Mr. Chairman, as I listened to the Prime Minister review the historical past I asked myself one question—what of 1956? The other day in the United Kingdom this matter came before the House of Lords and Lord Avon, the former Anthony Eden, without actually saying so was able to leave the impression that the mistakes of 1956 have proven to be the nursery of the troubles of 1967. I am reminded by the Prime Minister's quotations of the debates that took place in this house in 1956. At the conclusion of his remarks the Prime Minister dealt with the need for action in the United Nations or by the four major powers.

It is interesting to recall the words of 1956 that caused difficulties within this nation. At that time the right hon. gentleman was secretary of state for external affairs. The then prime minister, right hon. Mr. St. Laurent, dealt with superpowers, supermen, and had this to say:

> I have been scandalized more than once by the attitude of the larger powers, the big powers as we call them, who have all too frequently treated the charter of the United Nations as an instrument with which to regiment smaller nations and as an instrument which did not have to be considered when their own so-called vital interests were at stake.

These words brought solace to Nasser and others connected with him. I said at that time:

> The only reference in the preceding paragraph is to Britain and to France. I am scandalized, Mr. Speaker, that the Prime Minister saw fit to condemn Britain and France to the same bag in which the U.S.S.R. was placed.

I say today that the views members of the opposition expressed in 1956 could be read and reread and they would reflect to an unusual degree events that have happened since.

I want to say at once that I asked for this debate. I also asked, in the event that there was information that should be available to members of the house, for a secret session of parliament. I can understand a difference of opinion on that. However, I am going to refer to one newspaper, the Toronto *Globe and Mail* which, ever since the cancellation of the Avro Arrow and since they failed to secure a television licence in Toronto, has adopted an attitude of bitter criticism of the Conservative party. Yesterday, in an editorial, vicious as it was vacuous, they denied the right of a member of parliament to advance in this chamber views that are not acceptable to that newspaper. I am going to say more about that licence later. I am going to say more about the television licence that was awarded in Toronto because from that day there have been regularly in that newspaper, more so since it has been under F.P. Publications, attacks not in keeping with the responsibility of the press to place the true facts before the country.

I asked for a secret session. I think it may still be necessary to continue to press for one because what we secured today from the Prime Minister, with the exception of certain general views that were expressed in the last 20 minutes of his address, were historical quotations and apologias, in the tradition of Right Hon. Mackenzie King who at all times found solace and satisfaction in being able to quote what he himself had said.

There are certain general principles that we must affirm. One is that Israel has a right to live. Mention was made of the attitude taken by the U.A.R. and other Arab nations to Israel. I visited Israel on two occasions and at length. I was also, for a period of time, the guest of Colonel Abdel Nasser. I was asked subsequently what he had said about Israel. He never mentioned Israel. He discussed Yemen. He discussed the oil situation in the Middle East. He never made a reference to Israel in our conversation. I concluded it was because so far as the Arab nations are concerned Israel does not exist. It has never been accepted. It has never received any consideration as a national entity.

In recent days Israel's right to live has been hammered out anew in blood and arms. Today in old Jerusalem, for the first time in many years, that portion of the city occupied by Jordan, is under Jewish control once more. The Garden of Gethsemane, scene of warfare in the last few days, the Wailing Wall, embodiment of Jewish resistance through all generations, King Solomon's Temple, today a Moslem mosque—these areas are now in possession of the Israelis. They should never have been outside of Israel in my opinion.

So far as the Arab nations are concerned, we believe that their attitude during the last 20 years has been dangerous and detrimental not only to the peace of the Middle East but also to world peace. Nasser made the statement that never again would there be recognition of Israel's right to use the gulf of

Aqaba. His threat to destroy the people of Israel was reinforced in the last few days by a statement made by King Faisal of Saudi Arabia. He said the aim was to exterminate Israel.

• (4:20 p.m.)

The United Arab Republic is a member of the United Nations. Yet Nasser pledged himself in these words: "It will be total war and the objective will be to destroy Israel". Canada cannot afford to allow those words to go unchallenged, Mr. Chairman, because they embody the principle of genocide which has been specifically rejected under a resolution of the United Nations.

The wording of article I of that resolution reads as follows:

> The Contracting Parties confirm that genocide, when committed in time of peace or in time of war, is a crime under international law which they undertake to prevent and to punish.

Then genocide is defined in these terms:

> Killing members of the group;—
> Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction—

It also includes imposing measures intended to destroy.

We owe much to the Arab nations, but there can be no neutrality by Canada with regard to those who have the specific objective and purpose of destroying the Hebrew race.

I was surprised on May 30 when I listened to the Prime Minister being interviewed on the C.B.C. by Charles Lynch, Claude Ryan and Joseph Kraft. The Prime Minister was asked whether he was in favour of one side or the other, Israel or the Arab nations. One of the questions asked by Mr. Lynch was as follows:

> You mentioned earlier the strength of world Zionist opinion as one of the things that Israel has going for in this situation.

There is obviously a mistake there in the reprint of this C.B.C. interview. The question goes on:

> The Arabs, of course, suspect I think that your policy—Canada—and the U.S. policy is influenced by the political strength of the Jewish people inside our own countries, which has no counterpart on the Arab side. Now, is this valid or not?

The Prime Minister replied as follows:

> The proof that it does not apply to this country, surely is in our action in 1956 when we were very active at the United Nations in interposing a UN force between the Israelis and their friends, and the fighting—

[Mr. Diefenbaker.]

Then Mr. Lynch asked:

> Are we acting in the same way this time?

The Prime Minister replied:

> Absolutely. So far as I am concerned I have no feeling of any kind in favour of one side or the other. We have a strong Jewish Zionist movement in Canada, of course. We also have not so many Arabs here. I would not like to admit that this influences me in the slightest. It does not.

As far as I am concerned, Mr. Chairman, in view of the words of Nasser, not only in the book he published prior to 1956 but in the statements he made recently, I cannot be neutral on the position he has taken. Then the interview dealt with the gulf of Aqaba, to which I may make reference later.

We have all been encouraged by the events of the last few days. I agree with the Prime Minister when he says that if only the United Nations security council had acted a week or ten days ago it would have been better for all concerned. It was good tidings today to learn that the U.A.R. is prepared to accept the direction to cease fire. That they could do anything else is, of course, quite impossible to contemplate because their forces have been swept away on every part of the front on which they have taken a stand.

In the event, Mr. Chairman, that the cease fire is accepter and is established by all the nations, we come to the serious question of what we are going to do next. No longer can we allow ourselves the luxury of permitting the problems to which the Prime Minister made reference to remain unsolved. Political settlements must now be achieved. Up to the present the objective has been to bring the fighting to an end. We now have to deal with those matters which in 1956 were unfinished business and have remained so.

What course shall we take? I listened to the observations of the Prime Minister and in general I agreed with the views that he placed before the committee. However, I would ask that there be more definiteness and clarity than has been the case in the past with regard to Canada's stand.

I recall speaking in this house on November 29, 1956 and saying that the government of Canada was not taking a definite stand, that its attitude had been one of "Oh, let things calm down and all will be well". The Prime Minister quoted some words of mine which I uttered in 1956, and I should like to put on the record some words of mine, which are to be found at page 141 of *Hansard* for November 29, 1956. These words are as true today as they were then. I had just referred

to the general situation in the Middle East, and I went on:

> What has Canada done since then? Well, I read the records of the United Nations where Canada is forever speaking on resolutions but lacking resolution and displaying no definiteness.

That is true today, Mr. Chairman. There is an attitude of empirical uncertainty, an aura of fear of responsibility in facing issues. I went on to say:

> I say to my hon. friend that last Saturday was an example when the vote took place in the United Nations, a repetitious vote, on the motion to order Britain and France out of the Middle East. I read with pride in the press that my hon. friend—

That was the present Prime Minister.

> —had made such a strong and bitter castigation of the U.S.S.R. that Shepilov shook, that the members of the assembly were silent, and finally they applauded. Magnificent! But then Canada abstained. Speaking on resolutions, lacking resolution!

That has been so throughout. On the question of Israel and the Arab states Canada's attitude has been uncertain. It has been trying diplomatically to be in agreement with both sides. In the last couple of weeks Canada, because of the uncertainty inherent in some of the words expressed by the Prime Minister and Secretary of State for External Affairs, has lost any claim to being able to bring together the warring elements in the Middle East. The Arabs no longer trust us. The Israelis wonder about us. In the current issue of the *Canadian Jewish News* the following words appear under the heading: "No, Mr. Pearson: This Time Peace, No Armistice":

> No, Mr. Pearson, this time there will be no armistice. There will be peace or else. We, the Jews of this generation who have trusted the world while our nearest of kin were burned alive with their womenfolk and offspring in the Auschwitzes and Maidaneks, will not exchange security neither for a Nasserite scrap of paper nor for new "assurances" from the debating club at East River.

That is the beginning of the article. It goes on in the same spirit. Because of uncertainty about where this government stands, this nation finds itself in the position of having lost face in the last two or three weeks. The resort is to ancient quotations about meetings of past years. Sir, historical analogies and quotations cannot take the place of needed international action in 1967.

So far as the city of Jerusalem is concerned I think consideration must be given to Israel retaining the entire city.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: If it cannot be done directly now, then old Jerusalem which is confined within the territorial limits of Jordan should be internationalized.

I agree with the Prime Minister with regard to the gulf of Aqaba. It must be immunized against interference by the Arabs or any other nation. Regardless of arguments advanced by the Arab nations the gulf of Aqaba is an international body of water. If the U.A.R. had the right, as it thinks it has the right, to close the gulf to freedom of navigation it would mean that Denmark or Sweden could close the Baltic or that other Baltic nations could close the Baltic, or that the U.S.S.R. could be closed out of the Mediterranean. There can be no equivocation on this question whatsoever. Sir, I hoped for more assured declarations by the government of this country than we have had today.

Next, can anyone believe that Canada, in view of the stand that it has taken in the last couple of weeks, will find ready acceptance in contributing troops to enforce international rights on the gulf of Aqaba or the boundary determinations that must be made? We were put out, driven out by Nasser. Unless there is a vast change of mind and opinion by the Arab states there is no possibility of Canada being given the right to contribute any forces to an international force.

What of the international force? I was in San Francisco in April and May of 1945 and I believed that we had arrived at an agreement whereby mankind would set up an effective international force. That has been the dream of international lawyers since Grotius and Pufendorf. Only through the instrumentality of an international force strong enough to enforce the edicts of the United Nations can peace be attained.

There is no possibility of that international force being set up now. The great powers are against it. It is far beyond the realm of probability that any force could be set up which would be effective in maintaining peace. Much is said about the UNEF force and that it maintained the peace in the Middle East. It maintained nothing of the kind. It never maintained the peace at any time. It was simply an international body with a supervisory capacity but without the ability to direct, order, or enforce. Indeed, both leaders of that international force told me on more than one occasion that the UNEF force was never expected to be or ever was a force to compel law, international or otherwise.

Though we have made great contributions to the United Nations' force, because of our attitude in the last few weeks—I reiterate this—we have lost international status. No longer are we regarded as a nation without a national axe to grind and impartially unbiased toward one side or another while standing on principle. It will take a long time for Canada to have restored to it the respect and regard of the African and Asian races. As I see it, unless there is a great change on the part of those nations, it will not be possible for Canada to make any considerable contribution to peace keeping.

Where are we? Our army, navy and air force are in a state of uncertain unification. Traditions are gone. The purpose has been the assurance of an international force. U Thant knew that when he spoke in Montreal the other day and said that Canada's unification plan was designed to provide additional assistance primarily in peace keeping. That was something we could not get confirmed in parliament. The Secretary General knew exactly the purpose which we suspected was in fact the reason for unification.

• (4:40 p.m.)

Internationally there can be no question of the acceptance of anything less than freedom of access by all nations to the gulf of Aqaba. Second, with regard to the problem of refugees I have heard various proposals. The one given by the Prime Minister today I think is one that is in accordance with the facts.

I visited those camps 10 or 11 years ago. I visited them again four years ago. The horror of conditions in those refugee camps is a blot on civilization. I talked to some of the refugees. There was no desire to improve their condition. They were suffering as martyrs for a cause. They were expecting that it would not be too long before once more Israel would be wiped off the face of the earth and they would return in triumph to that country.

This problem has got to be solved. It cannot be solved by force. Mass evacuation, such as the Acadian removals two centuries ago, will not do today. How can the problem be solved? Something must transpire that will bring home to those people, and to the Arab nations as a whole, the recognition that there is no hope of these people returning to their former homes.

As to the mobilization of a peace force, I have already said that I can see no general acceptance by these nations of forces comprised in large measure of Canadians. I think possibly there might be acceptance of Canadian representation on inspection organizations but not in armed forces. As I listened to the Prime Minister I concluded that the government of Canada has the idea that it will be accepted and that Canadian forces will be sent to the Middle East. I say that in 1926 the late Right Hon. Arthur Meighen enunciated the principle that troops should not be sent abroad from Canada for war purposes, which is the danger they will face if they are in any international force today, unless approval is secured in advance from the parliament of Canada. If there is any decision to send troops as a peace keeping force or as part of a peace keeping force, that means that the force must be prepared to undertake actual war in the event that it becomes necessary so to do. I contend therefore that any force of that type to be sent abroad shall not be sent unless there is prior approval of the parliament of Canada.

A moment ago the Secretary of State for External Affairs nodded his head in a way to indicate that my reference to U Thant was not well based. So that the record will be clear let me read from a Southam News Service report of June 3:

> —Mr. Thant praised Canada's revolutionary bid to re-organize its armed forces "with the peace keeping function primarily in mind."

That is what we said. The Minister of National Defence denied it. That is what General Allard has said since the debate ended. Now we know it. Internationally we receive the fullest information. That was denied us in the House of Commons.

Mr. Hellyer: You should read General Allard's speech and then you would have some idea about what he actually said.

Mr. Diefenbaker: What's that?

Mr. Hellyer: I said you should do General Allard the courtesy of reading his speech because what he said is quite contrary to what was reported in the press and repeated by you.

Mr. Diefenbaker: Just sit down unless you are asking questions.

The Chairman: Order.

Mr. Hellyer: On a question of privilege, Mr. Chairman, what was reported of the general's speech was not in the context of what he had actually said.

Mr. Diefenbaker: Mr. Chairman, that is not—

Mr. Hellyer: I would recommend to my right hon. friend—

The Chairman: Will both hon. gentlemen sit down, please? There is no point of privilege. The right hon. Leader of the Opposition.

Mr. Diefenbaker: This minister is very touchy. He is rising on a question of privilege to let the House of Commons know what the chief of the general staff meant when he said what he said, but the minister wants to interpret the way in which he said it and delude parliament.

Mr. Hellyer: On a question of privilege, Mr. Chairman, I resent, on behalf of General Allard and the officers of the armed forces, this insinuation which reflects on them in the House of Commons where they are not able to defend themselves. The right hon. gentleman should do the general the courtesy of reading what he said and not what the newspaper reports said.

The Chairman: Order, please. I bring to the attention of the committee citation 105 at page 96 of Beauchesne's fourth edition:

A dispute arising between two honourable members as to allegations of facts hardly fulfils the conditions of a privilege question—

I recognize the right hon. Leader of the Opposition.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Chairman, that rule is known to all members of the house, even to the hon. gentleman, but he is very touchy on this matter. He deceived parliament and now he is trying to find an alibi. But U Thant told the truth and said that the principal objective was a peace keeping force. I would like to hear the minister make a speech on this subject—

Mr. Hellyer: I will.

Mr. Diefenbaker: —written by himself, and have his explanation of what took place. He is going to have every opportunity today. The chief of the general staff let the cat out of the bag, and U Thant made sure the bag would never be closed again.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I can understand why the minister is so touchy. You can just see the new uniform. The three armed forces of Canada are going to have jolly little green jumpers. The minister feels a sense of paternity and when any question is raised about this he feels hurt. I want to say to him that I can understand his sensibilities. This is part of the discussion of foreign affairs because foreign affairs are only effective with a defence policy that is effective.

Mr. Hellyer: Hear, hear.

Mr. Diefenbaker: What we have done, if U Thant is right and General Allard is right, is that we have provided for a force for international use as the principal objective and we have left the defence of Canada in the hands of the United States of America.

Mr. Hellyer: Nonsense.

Mr. Diefenbaker: Now, sir, I would like to hear what the Secretary of State for External Affairs has to say regarding the international force. The Minister of National Defence built his policy on sand and Nasser brushed it away.

Some hon. Members: Hear, hear.

• (4:50 p.m.)

Mr. Hellyer: This is one of the worst speeches I have ever heard in this house.

Mr. Starr: Do you not listen to your own speeches?

The Chairman: Order. I understand there was some understanding that the Secretary of State for External Affairs would participate in the debate next.

An hon. Member: He is not here.

Mr. Diefenbaker: Mr. Chairman, I think we should wait a moment. All of us realize there are responsibilities resting on the minister which have taken him out of the house in the same way the Prime Minister was taken out of the house. Every consideration must be given in view of the necessity of both these gentlemen being able to carry out their responsibilities.

Some hon. Members: Hear, hear.

Mr. Brewin: Mr. Chairman, I understand that the Secretary of State for External Affairs is present, willing and anxious to speak at this stage in the debate. I would gladly yield to him, if that is the situation.

Mr. Martin (Essex East): Mr. Chairman, I thank my hon. friend but the Prime Minister opened the debate. He has been followed by the Leader of the Opposition, and in all fairness I think my hon. friend ought to have a chance.

Supply—External Affairs

Mr. Brewin: Mr. Chairman, I was relaxing in anticipation of hearing the Secretary of State for External Affairs before participating in the debate. We are discussing the estimates of the Department of External Affairs at a dramatic moment in a dramatic age. In my view it is a dramatic age because this generation is faced with startling alternatives, the alternative of building a world community based on the acceptance of world law or the alternative of the destruction of civilization through the use of weapons of mass destruction. This is a particularly dramatic moment because history is being made before our eyes. The crisis which has taken place in the last few days will have results which may very well be decisive for good or evil for many years to come. For that reason our attention in this debate, although it is generally on the full estimates of the Department of External Affairs, necessarily is centred around the crisis in the Near East.

The rapid military development and the security council's unanimous request for a cease fire, which we understand has now been accepted at least conditionally by the combatants, removes some of the very worst forebodings which people throughout the world have had in respect of this crisis. Nevertheless it is of the utmost importance that the crisis should be used constructively to work out necessary political settlements, to strengthen the foundations of the United Nations and to strenghten the function of the United Nations in maintaining peace and security.

The Prime Minister himself, I believe, has often said, and we have observed it to be true, that it is upon situations of crisis that sometimes we are able to build new structures of peace. The Cuban crisis, of course, is one illustration. Out of the Cuban crisis emerged the test ban treaty and the détente in the cold war. I urge that following this crisis we not sink back into complacency. Such complacency could, and undoubtedly will if indulged in, produce in the present unstable world new crises. The outcome of each new crisis may be far worse than even the tragic results of the present hostilities.

I do not intend to comment at length on the situation immediately facing the security council. We in this party should like to express our full support for the initiative of the Canadian government in introducing the resolution which sought a means of securing compliance with the cease fire resolution of the council. I should like to congratulate our ambassador, Mr. Ignatieff, for his part in the presentation of this resolution.

[Mr. Martin (Essex East).]

At the moment I wish to speak more generally upon the future of the United Nations arising out of this crisis. There are some cynics, both in public life and among the representatives of the press, who, when difficulties arise and when defects appear in the embryonic international institutions which exist today, hasten to proclaim, sometimes with ill-concealed glee, that these institutions have failed. There have been a number of headlines and comments which have appeared in the last few days proclaiming that the United Nations is dead, that it is through, that it is ineffective.

It has been asserted by some people that the peace keeping operations of the United Nations have been shown to be futile. It is my submission that precisely the opposite is the lesson of the last few weeks. It was the inadequacy of the original arrangements in respect of UNEF which produced the hurried withdrawal. I do not think we would gain anything by laying the blame for the withdrawal at any door. The withdrawal, however, was the almost immediate prelude to the outbreak of hostilities. Indeed, the withdrawal constituted, perhaps inevitably in the circumstances, a clear and present threat to the existence of the state of Israel.

I ask, could there be a clearer demonstration of the importance of an international presence than the fact that when it is removed there is an outbreak of hostilities? The obvious answer in this situation is not to abandon UN peace keeping operations but rather to establish them on a firmer basis. That basis, I venture to suggest without enlarging at length on the topic, involves the willingness of the great powers to work together in the security council in a different way than they have in the past, with a willingness perhaps to give effect to article 43 of the charter under which the great powers are supposed to work together to maintain peace and security throughout the world on behalf of the nations of the world. Until the great powers assume that responsibility it cannot be said it is the fault of the United Nations itself if that organization is ineffective. It is the fault of the governments of the nations which fail in accepting their responsibility.

The outbreak of war in the Middle East was not due to too much international concern or to too great a willingness to accept international responsibility. The opposite is the truth. Some at least of the great powers

have been willing to frustrate the effectiveness of the United Nations. There has been a growing anarchy throughout the world. The great powers have intervened or have threatened to intervene in various parts of the world. They have bypassed the United Nations and have undermined its prestige. We can only express the hope here that the events of the past week have indicated the necessity of a global settlement before it is too late. We cannot continue playing with dynamite and avoid disaster.

• (5:00 p.m.)

There is one aspect of the present crisis which I think has perhaps been overlooked. This war has taken place in the Middle East at a time when the possession of nuclear weapons has been limited to the major powers. I shudder to contemplate what would have happened had some of the powers involved directly in this conflict been in possession of nuclear weapons. If the hatreds, resentments, and injustices which created the present crisis are not dealt with, and if the proliferation of nuclear weapons is not halted, the next outbreak of war in this or perhaps in other sections of the world will lead to even more tragic consequences. Therefore we must consider what are the essentials of a lasting settlement.

An outline of what we believe in this connection has already been expressed in this house by my colleague, the hon. member for Nanaimo-Cowichan-The Islands, during the debate on the budget a day or two ago. It does not vary substantially in essence from what was said by the Prime Minister.

First of all there must be a clear guarantee by the security council in respect of the boundaries of all nations of the Middle East, including both Israel and Arab nations. There must be a clear understanding through the United Nations security council in this regard so that no one of the great powers can say this is not their responsibility and they will not ensure that the understanding is carried out. There must be, as I think everybody in this house will agree, a settlement and an agreement that the gulf of Aqaba is an international waterway and that access to it through the strait of Tiran must be available to all innocent shipping. This is a matter that is vital to the state of Israel whose existence has been recognized and guaranteed by the international community, but it is a principle of great practical concern to many nations, including the U.S.S.R. which has a very great interest in the establishment of the principle of free access to international waterways.

There must also be an early and a generous settlement of the Arab refugee problem, to which the Prime Minister referred today. I intend to say a little more about it later. There must be vast and massive economic programs of development in the Middle East and for the people who live in that part of the world.

These proposals relate to the Middle East and impose a great burden upon the nations immediately concerned, a burden which is particularly heavy because it involves that most difficult of all things, a change in attitudes. We must ask them to accept this burden both for their own sake and for the sake of the world as a whole. However, these proposals also impose a burden on the whole world which must contribute by international action to guarantee the security of this part of the world and also a settlement of the underlying economic problems.

I would have been happy with the eloquent words of the Prime Minister in this debate had they been accompanied by a statement of a willingness of this country to contribute financially, and perhaps by a policy of encouraging immigration of Arabs to Canada, to the settlement of some of the Palestinian Arabs. I do not think it is good enough to talk about a problem without indicating a willingness to take action to meet it. Our eyes have been opened in the last few days by what has happened as a result of the failure on the part of the international community to deal with the festering sore of the Palestinian Arab refugees. Certainly we have contributed something like $500,000 a year, if my recollection is right, to the relief of the Palestinian Arabs refugees and also through food distribution, but we have not nor has the state of Israel or other nations of the world accepted seriously the responsibility and the expense necessary if this cancer is to be removed. If it is not, peace in this area will be very unstable.

The crisis is not just a crisis of the Middle East; it is a crisis of the world as a whole and the eventual solution involves a global settlement. I do not want to engage in a prolonged discussion of a situation in another part of the world, but the continuation of the war in Viet Nam and the continued isolation of the people of China are closely connected with the difficulties of making the United Nations function effectively. While the war in Viet Nam continues the likelihood of effective co-operation between the so-called superpowers is remote. Yet without this co-operation, and if we are to have a continued atmosphere of

cold war, the United Nations cannot function effectively as an instrument for peace and security. There is in my view a very close connection between what has happened in the Far East and what has happened in the Near East. I do not think it is too much to deduce if the United States had not been heavily involved and preoccupied in the Far East there would have been no encouragement to create a crisis in the Middle East. I doubt if that would have happened.

I do not propose to repeat the views of this party on Viet Nam as they are well known, but in any debate or discussion of external affairs I think we have to make, and I do so now, reference to what I believe is a vital problem, to the primary responsibility which rests on one of the great powers to seek to bring the war in Viet Nam to a close through an unconditional cessation of bombing of North Viet Nam. There has been talk of a lull in fighting but it has been denied that it has any connection whatever with the Near East crisis. Perhaps it has no connection, but if we are to move ahead so we will not have a recurring crisis then what is happening in Viet Nam must end. It is certainly impossible to anticipate that there will not be further crises throughout the world if the war in the Far East continues as it is today.

Let me emphasize what I think is very closely connected to the crisis in the Near East. That is the tragic failure of the well-to-do nations of the world, including Canada, to deal adequately with the problems of world poverty. Some people have said that the Near East crisis is an aspect of the east-west conflict and the cold war. I think it would be more to the point to say that the Near East crisis is a tragic reminder of the unsolved north-south problem and the growing gap between the rich and the poor nations.

Mr. Escott Reid, the principal of Glendon College, formerly our ambassador to India and formerly an official of the World Bank, has recently contribtued an article to the *International Journal* which is published by the Canadian Institute of International Affairs. He speaks of two fields in which Canada could make a creative contribution to world affairs, and this is something I believe all members of this house and all Canadians wish to do.

In this article Mr. Reid says that the most serious gap in the defences of civilization is the gap between what the rich nations of the world should be doing to help the poor countries speed up their economic development and what they are in fact doing. He points out that Canada, for example, has during the last three or four years raised the level of foreign aid by $50 million yearly. This is less than 2 per cent of the annual increase in our national income. So we are applying to this crucial problem of world poverty less than one-fiftieth of our annual increase in wealth.

• (5:10 p.m.)

In this regard we are not doing any worse than most of the other rich countries of the world. In the past six years the rich countries of the non-communist world have got a great deal richer. They have reached a level of income about $300 billion higher than the level six years ago. They have not shared any of this vast new wealth with the poor countries. The level of their contribution to dealing with the problem of world poverty, which I suggest constitutes a continuing threat to the peace and stability of the world, has remained constant as far as the world as a whole is concerned, although the wealth of the western world has increased by $300 billion a year. As I say, they have not shared any of this vast new wealth with the poor countries.

I want to adopt this comment by Mr. Reid:

> If we of the western world persist in our present policy of aid to poor countries, we will have earned the contempt of our children and of our grandchildren.

He points out that if Canada alone were to give another $700 million of aid to the underdeveloped countries to help them speed up their economic development, this would increase the net flow of long term economic aid of NATO countries to poor countries by about 12 per cent. Some people say this might be throwing money away, that there is no assurance that an increase in economic aid will in fact make any substantial difference or will enable the underdeveloped countries to break through to a position of self-generating growth. But we were told in the committee on external affairs this morning by Mr. Maurice Strong—incidentally, we warmly welcome him to his position as director general of our external aid office—that a conservative estimate of practical and immediately available projects which could be approved by the World Bank would cost between $3 billion and $4 billion a year, but this $3 billion or $4 billion a year is not made available and the projects are not proceeded with for lack of available funds.

This would represent a contribution by Canada of an additional $200 million a year approximately. It would only bring Canada's contribution up to approximately $500 million

a year, with export credits, loans and everything else thrown in, which would be about the 1 per cent target of national income or gross national product, the standard adopted internationally many years ago. The present government—I am glad the Secretary of State for External Affairs is here—proceed to do good but they do it at their usual snail-like pace. They propose to reach this target of 1 per cent some time in the 1970's. Why not now? The need is now. A relatively small contribution from the anticipated increase in Canada's wealth would enable this to be done without any serious sacrifice on the part of the Canadian people. Indeed, a good case for this increase could be made out on purely material grounds. The moneys are largely spent in Canada. The development of countries with which Canada has close ties, such as the Caribbean, creates a market for Canadian goods which is essential to our long-term prosperity.

I ask the Secretary of State for External Affairs: Who is stopping us? We are sometimes told it is public opinion. I do not believe this is true. What is stopping us is the timidity and half-heartedness of the Canadian government. I must say, in all fairness, that this attitude is shared with other western governments. This timidity and half-heartedness is responsible for the failure to deal adequately with this problem. It has produced what Mr. Reid, in the article I mentioned, described as "short-sighted and ignoble policies of foreign aid." Dr. Gunnar Myrdal, the noted Swedish economist, when speaking at Expo the other day said:

> Wars and war preparations represent the most important elements of clear and dangerous insanity in international relations. The rich western and European communist countries taken together, are probably spending as much on wars and war preparations as the sum total of national incomes in all of the much more populous underdeveloped countries.

The description by Dr. Myrdal, who is a pretty sober observer of the world, of "insane" would not be justified if someone could indicate that these competitive war expenditures produce security. They produce precisely the opposite. I wonder how much of the present conflict in the Near East and how many of the casualties in that conflict have been caused by the fact that all the nations of the world, including Canada, have seen fit to export weapons of destruction, armanents, on a substantial scale to these countries. I do not think it is an exaggeration for Dr. Myrdal to refer to this situation as one that shows we are not really sane.

In the light of the crisis through which we have gone in the last few days and through which we are still going, I ask: Can we not make progress toward a global settlement? This global settlement, I suggest, would do the following things:

(a) achieve a lasting settlement in the Near East. I have tried to say what I think is necessary for this.

(b) strengthen the United Nations, and particularly its peace keeping activities.

(c) achieve a non-proliferation treaty which would help to prevent instability turning into nuclear disaster; and

(d) divert the vast sums spent on war expenditures to the constructive task of ending poverty throughout the world.

We know that Canada is not a very powerful nation, but it is not an insignificant nation either. Its contribution and leadership in the fields I have mentioned would do much to strengthen the defences of world civilization and provide a secure future for our children and grandchildren.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Chairman, this discussion today was opened, appropriately by the Prime Minister because of his historic association with the problems of the Middle East and particularly because of the contributions he made to the establishment of the United Nations emergency force. There are a number of important foreign policy considerations which I wish to discuss at this time. I hope to do so objectively and in a non-partisan way, in spite of the provocation which I found in the speech of my right hon. friend, the Leader of the Opposition.

The involvement of the United Nations in the situation in the Middle East and the implications of this crisis for the world are such that we must all recognize how vital is a solution to the problems of that disturbed area. The tragic developments in the Middle East of the past three weeks have engrossed us all. They have dominated the international scene and they have been of concern to peoples everywhere. The interlude of violence is now, I believe, hopefully, coming to an end with the announcement by the Secretary General this afternoon of the acceptance by the U.A.R. of the cease fire resolution of the security council. The cease fire appeals issued by the security council on June 6 and 7 have begun to take effect even though there is,

according to reports just handed to me, considerable fighting going on in certain sections of the area.

• (5:20 p.m.)

I think the Canadian government owes it to this house and to the Canadian people to indicate not only its concern with this problem but also how it has dealt with it from the time the problem first arose. It will be recalled that an indication of a possible withdrawal of the United Nations emergency force caused me to go to New York and to confer with the secretary general. I do not want to go over ground already covered. I will simply state again that I believe it was regrettable that the force was withdrawn. I have not questioned the sovereignty of the host country that asked for its withdrawal, but I am firmly of the view that there was no clear legal basis for the way in which it was withdrawn. In any event one should take every step to preserve an institution which for ten and a half years has been such a responsible and constructive factor in keeping the peace in the Middle East.

I understand now, as I understood when I talked with him, the problems of the Secretary General, particularly when it had been intimated by India and Yugoslavia that for reasons best known to them they did not propose to continue in the force once one of the host countries had asked that it be withdrawn. I do not agree with the right hon. gentleman that this was a humiliation for Canada. I do not agree with the newspaper which had a big headline reading "Canada Humiliated". The humiliation is not on our side. We have nothing to be humiliated about. For ten and a half years, along with the other countries in that force, we used our defence forces for the purpose of keeping the peace, and I was surprised when my right hon. friend said that the force had not kept the peace in the Middle East. That is not in accordance with the facts. There is no doubt, as was attested by the public declarations of the governments of Israel and the U.A.R. a year and a half ago when there were suggestions for a reduction of the force, that this would mean removing a factor of stability in the area.

When I went to the United Nations that Saturday morning I took the occasion to discuss also the desirability of giving consideration at once to a successor to the United Nations emergency force, if this were acceptable to the host countries, of course, and if it were possible to get additional powers accorded to it by the security council. I was referring of course to the United Nations truce supervisory organization already in existence and working with the four mixed armistice commissions already established by the security council. It has a capacity to add to its numbers as it has done from time to time. It is now a force of about 120. At one time it had 700 men. True, it would have to acquire further powers from the security council for additional relocation.

I think it may be said that the Canadian suggestion about the possibility of a use of UNTSO at the appropriate time was a useful one, as has been recognized by the Secretary General of the United Nations. Later in my speech I propose to deal with the suggestions of the right hon. gentleman, which I do not believe were the kind of suggestions that one would have expected in a situation like this in relation to one of the notable foreign policy contributions of our country. We do not seek to participate in United Nations peace keeping operations unless we are wanted. I will deal with that later as I do not want to anticipate my argument. However, I cannot understand for the life of me why there should have been a suggestion in this house that Canada, because she was forcefully removed out of Egypt, would no longer be acceptable in any peace keeping operation in that area of the world or in any other.

Mr. Diefenbaker: I did not say "any other". I said "in that area".

Mr. Martin (Essex East): We are not seeking additional responsibilities in this area. Canada need not be ashamed of her record in peace keeping all over the world.

On that recent occasion in New York I talked with the ambassadors of Israel, the United Arab Republic, Great Britain, the United States, Syria and France, with the idea of trying to do what my right hon. friend had said in the house only two days before we should do, to see to it that the United Nations was put to work. Imagine the security council not being in session in this situation. It was as the result of action taken by Canada and Denmark that the first meeting of the security council was held in this matter. So let no one say we have not been viligant and tireless in our efforts in this matter both in the Department of External Affairs in Ottawa and through our ambassadors in Lebanon, Israel and the United Arab Republic. Few countries have a finer foreign service than our country and I want to pay

tribute to it. It is in a situation like this that one realizes what we owe to the men and women who have dedicated their lives to the Canadian foreign service. We are not dealing with an ordinary matter. In my judgment this has certainly been potentially the most dangerous situation, possibly excluding Cuba, since the end of the second world war. I say that, fully aware of the potential danger which could arise out of an expansion of the war in Indo-China.

There are certain basic issues in this situation and I must state them at once so it will not be suggested, as has been suggested, that the government, notwithstanding what the Prime Minister said today, is not appreciative of the position of all the parties, of their claims and of their rights. The other day the President of the United States was very anxious to affirm to the world, as were the prime minister of Great Britain, the president of France, and several other heads of government, that their policies with regard to the Middle East were balanced ones. Ours is one that is designed to take into account the need for the most friendly possible relations with all countries. This can be done without doing violence to or taking issue with the particular claims or rights of any one of the parties. Certainly when we took exception to the way in which UNEF was withdrawn we were not taking a hostile attitude with regard to the United Arab Republic. When we sent three cruisers to supplement our evacuation plans they were not part of a design for action by this country outside of the United Nations context. Our view about international law as it applies to the strait of Tiran does not in any way involve an act of hostility against countries which may have an interest there and a different view.

• (5:30 p.m.)

There must be an acceptance, of course, of Israel's right to live in peace and security. The denial of this right has been a source of danger for a long time in the Middle East. Israel, of course, has the basic obligation itself to live without provocation to her neighbours. I am sure she will accept this.

There is a need for the elimination of terrorist incidents on the Syria-Israel border. Our position on the right of innocent passage in the gulf of Aqaba has already been mentioned. As the foreign minister I stated our position on May 23 and May 24 of this year. The Prime Minister on several occasions has reaffirmed what he had said in 1957 in confirmation of international law. In case there is any doubt about this I simply ask hon. gentlemen to read *Hansard*, pages 602, 520, 535, 822, 1096 and 1076 where the position of the government on this vital, key issue in the present conflict may be found. I need only add that we are a signatory to the convention on territorial waters along with some 32 other countries. This convention is designed to confirm the state of international law on this matter.

Then, of course, there is the refugee problem. I propose to say something later in some detail about that because it is also one of the key issues in this matter.

Because the Middle East has such religious significance for people all over the world,—I think the foreign minister of Canada should observe that there is widespread concern about the effects of events on the holy city of Jerusalem. Hon. members know that this ancient city is a shrine to many people of different faiths. Moslems, Christians and Jews are all undoubtedly apprehensive about the safety and protection of holy sites. Because of the special importance of a city like Jerusalem to many peoples this concern will have to be taken into account in any settlement which emerges from the present conflict.

News reports, Mr. Chairman, have indicated that Iraq, Kuwait and Algeria have cut off the export of oil to Britain and the United States on the grounds of alleged British and United States military intervention on the side of Israel. The denials of the British and United States governments were clear yesterday and the fact that there has been little reference to these allegations in the press of the Soviet union clearly indicates, I believe, how specious this argument was. The cutting off of the export of oil to Britain and the United States would appear to be pursuant to a decision taken on June 5 at the Arab oil conference in Baghdad that the flow of oil would be suspended and prevented from directly or indirectly reaching countries which promote or participate in aggression against Arab countries.

Syria, for her part, has stopped the pumping of oil through pipe lines which cross her territory as well as the loading of oil in her ports. Oil continues to reach France from Algeria but the Algerian government has taken over the installations of certain British and United States companies operating from that country. So far as I know Saudi Arabia has taken no steps similar to those I have mentioned.

It is encouraging to note that so far there has been no report of the sabotage of pipe lines or installations. There has not been any interference with the availability of oil for Canada. However, the cutting off of the flow of oil by ship to Britain and the United States may have disruptive effects, especially in view of the closing of the Suez canal. I imagine these difficulties can be surmounted perhaps after a period of adjustment.

Mr. Diefenbaker: Would the minister say something about the closing of the Suez canal? He mentioned it just now.

Mr. Martin (Essex East): I propose to say something about that, and perhaps I could do so right now. Several days ago the U.A.R. authorities announced they were closing the Suez canal to all ships on the grounds that Britain and the United States had intervened in the conflict on the side of Israel. These accusations, as I said a moment ago, were indignantly denied by the two governments concerned.

The closing of this principal maritime route, if continued for a long period, would seriously disrupt commercial exchanges between Asia, Europe and the Far East. The transit of oil makes up a large part of the canal traffic, although large-size tankers have since 1956 been transporting oil to Europe around the Cape of Good Hope. Some volume of Canada's oil imports passes through the Suez canal. However, Canada is not to any serious extent dependent on the use of the canal nor do we have an extensive merchant fleet. I would hope, if it is officially confirmed that the Suez canal has been closed, this stoppage of traffic will be temporary only. The U.A.R. itself relies to a large extent on the foreign exchange revenues that come from the canal.

We have been told now that Iraq, the republic of Yemen and Syria have broken off relations with Britain and the United States. Algeria, Sudan and the United Arab Republic have broken off with the United States. The significance of this action must, of course, be obvious to every hon. member. Diplomatic relations of these last three countries with Britain were severed over the question of Rhodesia. I understand a number of other Arab countries, including Lebanon, have also broken relations with the United States and Britain.

Charges have been made in connection with this action that United States aircraft have been engaged in the fight. I want to say that the Canadian government is unreservedly satisfied there is no foundation whatever for these charges. British and United States embassies, consulates and information offices in a number of Arab countries have been burned or ransacked by mobs. This destruction of property and harassment of diplomatic officials is, of course, regrettable. Canadian missions in Arab countries, that is, in Cairo, Beirut and Tunis, have happily not been the objects of demonstrations or attacks. In those countries where we are not represented and where Canadian consular interests have been handled by British missions, alternate arrangements will be made for the protection of Canadians. I may say that Canada will do all it can to try to impress upon those Arab countries where we have embassies the importance of trying to improve the relationships of all countries with the countries of the Middle East so that the job of reconstruction and rehabilitation can go ahead.

I am wondering whether the United States, in the light of all these developments, will be prepared to repeat the offer made by President Eisenhower in 1958. After the dispatch of some 12,000 marines to Lebanon and the British dispatch of forces into Amman, the United Nations intervened to establish a peace force between Syria and Lebanon. This served to cause the withdrawal of these forces and encouraged the United States to offer vast sums of money to assist in improving the standard of living of the peoples in the Middle East, particularly in the Arab countries. This, of course, is something we have to look to as a must if we are going to remove one of the sources of friction and one of the causes of hostility in that area.

• (5:40 p.m.)

Several times during the course of questions in the past three weeks we have talked about the responsibilities of the great powers. This is a good opportunity, I think, to underline the importance of these responsibilities. In the security council of the United Nations the great powers have been given special status, and their right of veto must be weighed against the undeniable responsibility which these powers share in the solution of international problems.

When the recent trouble in the Middle East arose the dangers were generally recognized by the great powers. We were all concerned about the implications of this situation because of our concern about the possibility of nuclear war in this interdependent world of ours. The Soviet union, the United States,

Britain and France do not, of course, take the same positions with regard to the problems of the Middle East. Any situation that involved any one of these powers in a conflict with another world power in the Middle East directly or indirect would be a matter of great consequence to the peace of the world.

It was undoubtedly because of this, Mr. Chairman, that early in the disturbance General de Gaulle suggested that the great powers should hold a meeting at the highest level. His suggestion did not seem to call for a meeting within the context of the United Nations. The view of the Soviet union and I believe the view of the United States was that such a meeting might be useful but that it ought to be within the context of the United Nations, and this was the view stated by the Prime Minister of Canada.

In fairness to the French government they acceded to this at once. I can say that it is not without significance that the four great powers were able to engage in a form of collaboration particularly in the consultations that took place between the United States and the Soviet union in New York, which I believe has not really been much in evidence since the end of the second world war.

Mr. Lewis: Is that not rather an exaggeration?

Mr. Martin (Essex East): I beg the hon. member's pardon?

Mr. Lewis: Is that not a bit of an exaggeration? The collaboration occurred after the whole situation had blown up in their faces.

Mr. Martin (Essex East): No, I do not mean the collaboration, I meant to use the word "consultation".

Mr. Lewis: Oh.

Mr. Martin (Essex East): The consultations took place before war broke out and very much during the course of it. I am sure that the action taken in the security council would not have been possible had it not been for the action of the great powers.

It seems to me that the consultations in this regard between the United States and the Soviet union were particularly significant in spite of the background of their differences on the problems of the Middle East. I hope that this consultation, this recognition of a common danger, may, slowly perhaps, establish a pattern that will be very useful in other international situations now facing us and in situations not yet before us.

As the hon. member for Greenwood said, when the war broke out people at once began to say that the United Nations was once again proving its weakness and that the security council was an ineffective body, as though the security council or the United Nations were some abstract entity, as though it were an organism independent of the member states that compose it. There is nothing wrong with the charter of the United Nations. There is nothing wrong with the structure of the United Nations that cannot be corrected. What is wrong is the intransigence of some countries, the unwillingness of some countries to accept their responsibilities. In this situation I think that instead of criticising the United Nations we should recognize how fortunate we are that it exists.

The security council has provided a forum for vigorous discussion. Its meetings have provided an occasion where verbal, not armed, confrontation could take place and where discussion of matters affecting the peace of the world could be conducted. As a result decisions with great importance for world peace were taken. War was held off for about ten days, and that in itself was something. When war did take place the security council took action. In face of the greatest difficulty, having in mind the divisions of ideological opinion in the communist world, the western world and among the unaligned, the unanimity reached on the two recent occasions is something that should cause us not to depreciate but to appreciate the significance of the United Nations.

In these grave circumstances we can take some satisfaction from the fact that the efforts of the permanent members of the security council and the resolutions that flowed from their efforts have helped to hasten an end to the fighting. We may relate the fighting in the Middle East to certain issues, to differences between the parties on particular questions, but once a firm and certain cease fire has been secured we must address ourselves, as our ambassador to the United Nations has said, to the underlying problems in the Middle East.

Much has been said about these problems. It has always been the view of the Canadian government that one key element in achieving a satisfactory permanent settlement of the Middle East problem is the recognition by all parties of the sovereignty and the right to exist in peace and security of all countries in that area. This surely is elementary foreign policy. How can we have peace in the world

and how can we arrive at satisfactory relationships unless it is admitted that every national entity in the Middle East is entitled to be treated as any other is treated? All such sovereign bodies must enjoy the status and protection which most states in a peaceful world should enjoy. Until general acceptance of this vital principle is attained, the Middle East area, or any other area of the world, will be confronted with the danger of a repetition of the tragic events of 1946, 1949, 1956 and the events of the last few weeks.

Now, Mr. Chairman, a settlement based on this important principle will require a considerable measure of co-operation on the part of all countries concerned in dealing with those issues which have been at the root of Middle East disputes and contentions. These issues include, for example, such important matters as the right of all countries to free and unimpeded commerce and the free use of international waterways vital to the maintenance of the economies of those countries.

• (5:50 p.m.)

From previous statements I have made and from those the Prime Minister made this afternoon it is clear that the government considers that the maintenance of the right of access to and innocent passage through the gulf of Aqaba is one of the key issues in the situation which has developed. Everything possible should be done through the United Nations to find arrangements which will settle this issue. Disputes over the implementation of the armistice agreement will again require close attention. This examination should include a review of the nature and scope of United Nations responsibilities for a new settlement in the area.

It is the belief of the government that among other problems requiring close attention is that of the future of the Palestine refugees, now numbering 1.5 million people. The United Nations relief and works agency for Palestinian refugees, known as UNRWA, was set up to assist the refugees, and Canada has played an important part in its maintenance. Since the inception of UNRWA Canada has been one of the main contributors to the agency. The Canadian government's total contribution in money and in kind during these years has been in the neighbourhood of $21 million. For 1967 the Canadian government contribution in money and wheat flour to assist refugees is $1.5 million and not $500,000 as my hon. friend unintentionally, I know, mentioned a few moments ago. These amounts do not include the significant private contributions of Canadian organizations and individuals. Canadian assistance to UNRWA is motivated primarily by humanitarian considerations.

Mr. Brewin: May I ask a question?

Mr. Martin (Essex East): May I finish? Contributions have been applied to relief and health services as well as to education and vocational training of the refugees.

Mr. Brewin: May I ask the minister whether the amount set aside for the Palestinian refugees in the estimates is not $500,000.

Mr. Martin (Essex East): For 1967 we have pledged $1.5 million.

Mr. Brewin: A lot of figures must be stuck together, because we saw the estimates this morning.

The Chairman: Order, please. I understand that a messenger is to come to the chamber from the other place and I do therefore leave the chair. Before doing so I must advise the minister that the time allotted to him has expired. Perhaps the committee would extend his time when we resume debate.

Some hon. Members: Agreed.

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 York South (Mr. Lewis), Industry—northern Ontario—Possible classification as designated area; the hon. member for Winnipeg North Centre (Mr. Knowles), Public Service—Legislation to increase pensions of retired civil servants; the hon. member for Gatineau (Mr. Isabelle), Public Buildings—Construction of federal buildings in the Hull area.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, June 8, 1967

Sir,

I have the honour to inform you that the Honourable J. R. Cartwright, M.C., Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor-General, will proceed

to the Senate Chamber today, the 8th June, at 5.45 p.m. for the purpose of giving Royal Assent to a certain bill.

I have the honour to be,
sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary to the Governor-General.

A message was delivered by Lieutenant Colonel A. Fortier, Assistant Gentleman Usher of the Black Rod, as follows:

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

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

• (6:00 p.m.)

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

An Act to amend the Immigration Act.

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 (papers), private bills and public bills.

PRIVATE BILLS

RAINBOW PIPE LINE CORPORATION

Mr. R. J. Orange (Northwest Territories) moved the second reading of Bill No. C-105, to incorporate Rainbow Pipe Line Corporation.

• (6:10 p.m.)

He said: Mr. Speaker, in introducing this private bill before the House of Commons I hope to bring out one very significant point; that, northern Canada is starting to show that the faith the rest of Canada has placed in the north will bring about the rewards many of us have hoped for and have anticipated in the past. The area in which Rainbow Pipe Line Corporation intends to build is an area in which there has been intensive seismographic and geographic work in the past two or three years. The Rainbow field, which has now proven to be a major oil field in northern Alberta, extends into the southern part of the Northwest Territories and it is believed that possibly 15 to 20 per cent of the field is located there. I had the privilege to fly over the area very briefly last Saturday and from a height of 5,000 to 6,000 feet, with all the exploration which has taken place in this area, it reminded me of flying over a city because of the seismic lines running in all directions.

The effect of the bill before us is that the applicants request through parliament incorporation of Rainbow Pipe Line Corporation to operate in the Northwest Territories. However, the bill would not give the company any special rights to build a new pipe line or any priority or special status before the National Energy Board. It would merely give the applicants an opportunity to present their case before the National Energy Board which they, as producers and developers in the area, are legitimately entitled to do.

This company has already built almost 500 miles of pipe line to connect the far northern Alberta fields with the main pipe line systems of the country. By the passage of the National Energy Board Act parliament has already established an independent tribunal to determine, first, whether the building of a pipe line is justified and, second, which company should build it. When the time comes for the company to make its proposal to the National Energy Board, other applicants will have an opportunity to state their case and if there are objections these may be stated at that time.

The experience of the past few years has demonstrated that the inquiries and hearings of the National Energy Board are most carefully conducted. All the applicants in this case wish is the opportunity to apply to the board at the earliest possible time for permission to build a pipe line. The applicants see the necessity for considerable urgency in getting the bill through. They wish to make clear the construction can only commence in the winter months.

It is the hope of those of us who live in the north and who watch economic developments with great anticipation that significant oil deposits will be determined in the area and that construction can get under way as quickly as possible. When one considers the terrain of northern Canada one realizes that construction work can be undertaken only in the winter months when the ground is frozen. The application before the National Energy Board, the hearings which the board will conduct if there should be a contest, and the preparation of the decision of the board will take many months. If oil should be found it would appear to be in the public interest that

all pipe line companies which have a legitimate interest in the area should be in a position to act promptly in respect of applications to the National Energy Board.

There are two questions which some hon. members may have in mind in respect of the line itself and the need to move at this time. The first is: Is there oil in the area in sufficient quantity to justify the building of the line? The information presently available from the oil industry and from the Department of Indian Affairs and Northern Development indicates that if oil has not been found it may be found very soon. Once significant discoveries occur, it is in the public interest to provide the means to transport the oil to market so that this important resource will not lie dormant. I believe that the international events of the last two weeks point out the importance of increasing the development of the resources of our own country, especially those resources which sometimes are held in a rather tenuous position in other parts of the world. Of course, this is of special importance to the territories where resource development is fundamental to human and economic development. Discoveries followed by the construction of a pipe line will stimulate further exploration and development.

The people who wish to incorporate have already spent millions of dollars in the Rainbow and Zama fields and in the construction of pipe lines from these fields to connect them to the main pipe line systems. The applicants have a very legitimate and obvious interest in the further development of this pipe line system. It is one which they have been and are prepared to back with the expenditure of many millions of dollars. At the present time their existing line terminates 55 miles from the border of the Northwest Territories and Alberta. Further extensions are planned.

Another question which could arise is whether this company would serve as a common carrier. The National Energy Board Act itself answers this question pretty thoroughly. Section 59 states:

1. Subject to such exceptions, conditions or regulations as the board may prescribe or approve, a company operating a pipe line for the transmission of oil shall, according to its powers, without delay and with due care and diligence, receive, transport and deliver all oil offered for transmission by means of its pipe line.

2. The board may, if it considers it necessary or desirable to do so in the public interest, require a company operating a pipe line for the transmission of oil to provide adequate and suitable facilities for the receiving, transmission and delivering of all oil offered for transmission by means of its pipe line and adequate and suitable facilities for the storage of oil and the junction of its line with other facilities for the transmission of oil, if the board finds that no undue burden will be placed upon the company thereby.

3. For the purposes of this section, "oil" includes any liquefied gas that is or may be transported through a pipe line for the transmission of oil.

[Mr. Orange.]

According to my information all the major pipe lines of Canada have acted in the past as if they were common carriers. This means that they have taken the oil of all producers without discrimination as to tariffs and other conditions of carriage.

On the question of ownership and participation by the Canadian public, I should point out that clause 2(2) of the bill provides that not less than two-thirds of the directors shall at all times be persons resident in Canada and Canadian citizens.

• (6:20 p.m.)

The cost of building this line in the Northwest Territories would be much greater and the task would be more difficult than if it existed in some of the more settled parts of our nation. It is believed that it would be impossible to finance this line by public participation because of initial expenditure, but the company intends to allow the public to participate when it is economically feasible to do so and provide an adequate return. The importance of this line through northern Canada cannot be overemphasized. As I have said, this is another means of using the resources of the north for the benefit of Canada as a whole. Subject to agreement today it is my hope that we will refer this bill to the committee on transportation and communications for study at an early date.

Mr. Barnett: Mr. Speaker, I should like to ask the hon. member to clarify—

Mr. Deputy Speaker: Order, please. The Chair has recognized the hon. member for Calgary South. Does the hon. member wish to ask a question?

Mr. Barnett: Yes, Mr. Speaker, I wanted to ask a question before the hon. member for the Northwest Territories resumes his seat. I did not quite understand his reference to the fact that a company had already constructed some 500 miles of pipe line to within 55 miles of the Northwest Territories boundary and had spent several million dollars. Was the hon. member referring to a company with provincial incorporation in this regard?

Mr. Orange: I was referring to construction which has taken place in northern Alberta by a company with the same name, Rainbow Pipe Line Company. This company wishes federal incorporation in order to continue construction, when the time comes, across the boundary into the Northwest Territories.

Mr. Barnett: Is there an existing company of the same name which is provincially incorporated?

Mr. Orange: That is so, yes.

Mr. H. R. Ballard (Calgary South): Mr. Speaker, Bill C-105 replaces Bill S-52 introduced in the other place. That bill subsequently received second reading in this house on April 25 of this year. It was referred to the standing committee on transport and communications where it remained to the end of last session.

When Bill S-52 was introduced in the other place the sponsor had this to say:

> ... the sponsors desire that it be made clear that this proposed federal pipe line, as is the case with the existing Alberta pipe line, will serve all producers in the area without discrimination. These lines will not be limited to the carriage of oil belonging to the four companies which are sponsoring this application.

It should be pointed out that the sponsors of this company, Mobil Oil Canada Limited, Imperial Oil Limited, Aquitaine Company of Canada and Banff Oil Limited, are desirous of being in a position to offer facilities for the transportation of oil to areas in the Northwest Territories north of the Alberta boundary as soon as sufficient production develops. As the hon. member for the Northwest Territories (Mr. Orange) has already indicated, it is suspected that the oil bearing formation apparent in Alberta follows a line straight through the Northwest Territories to the Arctic circle.

The bill now under consideration would provide for an extension into the Northwest Territories to serve anticipated production in that region. As pointed out by the hon. member, there is a pipe line which extends almost to the boundary of the Northwest Territories, owned, controlled and operated by a company with a similar name, although it is an Alberta incorporated company.

The company we are now considering would be ready to provide facilities if as and when the level of production warranted the extension of the pipe line now constructed in the Rainbow lake area of northern Alberta. This company would operate under the jurisdiction of the National Energy Board in the same way as other oil and gas pipe line operators. A new feature has been added. This company requests the power and authority to do all the things that an oil exploration and development company would be expected to do, namely, to acquire and hold leases, prospect for oil and gas, drill for and produce oil, gas and related substances.

There are several aspects of this undertaking, including the one I just mentioned, which should be given careful consideration by this house. This would require too much time at this stage of the bill and I believe it can be given the thorough examination it deserves only in committee. We hope the committee on transport and communications will have the opportunity to examine this bill and, if it is thought necessary, to call and hear witnesses. We do not want to block this legislation because we realize that pipe lines are the life lines of the oil industry. However, the present bill not having been examined by the committee yet, we can only accept second reading at this time on division.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have heard several pious remarks about the National Energy Board which I cannot accept. In fact, I would not let this bill pass until we agree to make certain decisions rather than leave them to be made by that august body.

As an aside let me state that I have an article in my hand which says that Trans-Canada Pipe Lines Limited has made a bid for a new pipe line route. They are only three years behind the time when the National Energy Board suggested they should do certain things. The National Energy Board was very slow in making that direction and the minister now finds himself in the embarrassing position of realizing that the remarks I made, with which he disagreed violently several months ago, are accurate. There is an expected delay of two or three years in the construction of the line in the United States. The line will eventually be built and probably all this will be just a matter of record.

Mr. Pepin: One has to be right once in a while if one always says no.

Mr. Peters: That sounds a bit like Russian roulette. I have been interested in this pipe line for some time and I agree with the hon. member for the Northwest Territories (Mr. Orange) that this is a very important venture which will have a great effect on the economy of the Northwest Territories and the oil industry in that area. I have sympathy for the

aspirations of this company but I do not agree with the second speaker, the hon. member for Calgary South (Mr. Ballard), who looks at things in a totally different light from any one else in Canada. Calgary is the oil capital of this part of the North American continent and therefore people from that city consider these things on the basis of whether a fast buck is going to be made, whether the operation will make a big profit.

• (6:30 p.m.)

When outlining the purpose of this bill the hon. member indicated that although there are at the moment no producers in the area, there has been a great deal of exploration. His remarks about flying over the area and the seismograph lines criss-crossing his part of the country indicate that the interest in and development of the area may be on a very extensive scale. For this reason I would be reluctant to leave it to the National Energy Board to decide whether the proposed line would be a satisfactory carrier for the whole area.

I have read the bill and was very surprised to find that it did not say anything. A number of lawyers from Ottawa have got together to seek a charter, that will do what, Mr. Speaker? It will not develop a pipe line from one point to another but will give them a licence even to raise money with which to build houses. It will allow them, as the former speaker said, to hold mining leases, carry out prospecting, undertake development, establish a refinery, or sell oil at a service station. But it does not allow them to build a pipe line. There is no prospectus in the bill about where the pipe line will go and from where. The bill does not even indicate that these people are willing—and I think this will eventually have to be done—to relate this company to the one that holds a provincial charter.

Because the hon. member is on the government side of the house he cannot afford to be as sceptical as me. Perhaps the Minister of Energy, Mines and Resources (Mr. Pepin) thinks that scepticism is something that only the opposition can enjoy. In allowing a pipe line to be built in this area it seems to me we are in effect giving this company, or some other company, a virtual monopoly in the transmission of oil. I would not recommend to the National Energy Board that they allow a number of oil transmission lines to be built in the area, because this would not be economical. For that reason I think this has to be a monopoly situation. Therefore whatever line we allow to be built must be a common carrier for the area.

[Mr. Peters.]

Because of my interest in the Interprovincial Pipe Line Company, some time ago I read material dealing with the company and ascertained that Interprovincial were going to raise $70 million to build a line into the Rainbow lake area. I discussed this matter with the president of Interprovincial, who said this had been considered but they had decided not to do it. I was therefore interested to learn that Imperial Oil, which owns Interprovincial, also have a great interest in this company. They seem to be playing games with the financial pages of the newspapers and with members of parliament.

I have not decided that I should oppose this bill, but I sincerely believe that when we pass a bill such as this we should be sure what it is going to do and the extent of the monopoly that we are providing. We should know just what this company intends to do and whether the monopoly position that will be given will be in the interests of the people of the Northwest Territories.

Let us not forget that the Canadian government has invested money in the development of the Northwest Territories. We have granted concessions and allowed areas to be opened up in parks and other crown lands for development. We have assisted the development of the area in a number of ways. We have assisted in getting entrepreneurs to go into the area and develop it. In allowing the incorporation of a carrier we should assure ourselves that in granting a monopoly to that carrier—and obviously this will be a monopoly situation—in respect of all the oil out of the Rainbow lake area, the company will act as a common carrier. I would point out that it is not only the Rainbow lake area that is concerned here. All the area north of Rainbow lake will eventually prove, we hope, just as fruitful in this respect as has the Rainbow lake area. This company will be able to handle all the oil being transmitted from the area, and should do so only as a common carrier.

If the hon. member for Northwest Territories (Mr. Orange) really thinks this company should be allowed to enter the bond or stock market in order to raise money to build houses, we should be told this quite frankly. I realize it is said that the houses will be for the company's employees, but it would be very difficult to ascertain whose employees they were because all these companies are interrelated. The hon. member for Calgary

South (Mr. Ballard) mentioned four major companies, but because of the stock arrangements many, many more companies may be involved. Our prime interest should be to ensure that the monopoly given in the transmission of oil will apply only to this area.

A short while ago we had the situation of a railway company coming to parliament obviously in good faith and asking for permission to build a railway line from the southern part of the province of Quebec in an easterly direction through to Ungava bay. It was said the railway would haul ore out of that whole area. The line also went across part of the province of Newfoundland and Labrador, and should have been a common carrier for the whole area. But when a company that was not connected with the company that built the railroad wanted to haul its ore, it had to come to parliament and seek permission to build a second line alongside the line already built. The company had to do this before they could force the company that had built the line to be a common carrier and allow them a connection. Even then this company had to build a line from the pit at Wabush, 60 miles to a connection on the Quebec North Shore and Labrador Railway.

I do not suggest this will always happen, but with regard to industry I believe that all factors should be brought to the attention of everybody concerned. If a company intends to be a common carrier, this should be spelled out in the bill. It should spell out what the common carrier will do. We will be giving a monopoly to this company.

I do not think there is any point in referring to the old days and the speculation that existed with regard to the railways. If you check through the records of parliament, Mr. Speaker, you will find that at least 40 or 50 railways out of the city of Ottawa were going to run all over the place from Vancouver to James bay. At least six railways were chartered to run to Hudson bay and James bay and to the left and right of this very large area. These railways never came about, although there were five or six in the Ottawa area which operated for a short time. The O'Brien family made a great deal of money on a number of railway charters for companies which never intended going anywhere.

We should not perpetuate this type of situation with respect to bills to incorporate companies that wish to build transmission lines. Oil is one of our great natural resources. This company has not asked to build a line to go anywhere. It is asking for a licence to enable it to go on the stock market and raise money. It really has not been suggested that the line is going anywhere. One can only assume that the pipe line is going into the Northwest Territories and eventually to Rainbow lake because the sponsor of the bill has told us this. Certainly the bill does not tell us that this is the case.

If one reads the bill we find on the first page, in clause 3, provisions respecting the stock and capital of the company. On the second page of the bill there are provisions with regard to the stock and capital of the company. The situation is the same on the third page. Similar provisions are to be found in clause 4, and several other clauses of the bill also relate to capital. Clause 9 and several others deal with the stock and capital of the company.

• (6:40 p.m.)

We have been more interested in the capital of this company, in how the shareholders will be protected and what they will do with their money, than we have in being told about the railways. In clause 6 of the bill we find that it is mentioned in two places that the company is going to have "interprovincial, extra-provincial and/or international pipe lines and all appurtenances relative thereto." There is not much information here concerning the pipe line.

Again I should like to mention the reliance which has been placed by certain hon. members on the National Energy Board. Both hon. members who have spoken before me mentioned they were quite ready to pass the bill no matter what was in it because the National Energy Board was going to look after it. I have no such faith. I remember the request of one particular company to the National Energy Board to build a line of a certain size. The board told them they could not build that line because it was not feasible, that the line was too big and they were not going to be able to meet their commitment. Nevertheless it was built. I believe the original line was to be 16 inches, the second proposal was for a 24 inch line, and finally, after their request for a 24 inch line was turned down, they installed a 32 inch line.

I was told by some officials of the company that they were probably going to have to consider the installation of a still larger line. I have no respect for the judgment of the National Energy Board. Although I am sure the hon. member for the Northwest Territories will agree there has been a fairly general assessment of the foreseeable potential of the Rainbow lake area, according to

the best surveys that can be made, without taking into account the investigation that will have to be made of the various types of petroleum products in the particular field, I think we should be told what kind of line they will be building, its size and an indication of the line with which this particular pipe line will connect, because this has been implied by the sponsor. There should also be an indication of where that line is going and what the facilities in connection with it will be. I say this because I have a great deal of interest in the protection of the people in the Northwest Territories. I live in an area which has only been developed in the last 65 years. I have heard all the promises that have been made about what is going to be done. The promises were a political gimmick in a provincial election. We have heard about the Ontario Northland Railway, which was then known as the Timiskaming and Northern Ontario Railroad. As soon as the railway line got to Cobalt, Silver Centre, it was no longer a development road. It has been anything but that ever since. I have heard these promises made and not carried out.

It is surprising that the people who have supported the idea of the development in all those areas still believe that their hopes will be fulfilled. I think the sponsor would be hard pressed to say whether there will be an oil company in five years or in ten years. He would be hard pressed to say whether the company intended to build a 6 inch line, a 24 inch line or a 50 inch line. He would be very hard pressed to say where that line was going to start or where it was going to go. I think he would also be hard pressed to say whether or not it was going to a refinery or whether that refinery was going to be in the Northwest Territories, where it obviously should be if the Northwest Territories are to be developed; whether it was going to be a transmission line which was going to connect with another feeder pipe line or whether it will connect with the Interprovincial, Trans Mountain or another of these companies with which we have had something to do before, and will be transported over the mountains, over the prairies, to the United States or out of the area.

I think the sponsor of the bill will agree that this pipe line company should provide for the development of oil in the area, at least in the initial stages, and that it should ask for the transmission of crude oil over a portion of this line to a refinery. I am sure he will agree that if that refinery was to be in the Northwest Territories, then there would be some inducement for members of parliament to say to the Imperial Oil Company and other companies "If you want to take this oil out of the area and you want a licence to put in a transmission line, then you should be prepared to make certain concessions to the people of Canada and in particular to the people of the Northwest Territories so they also can get some benefit out of this."

It is my view that there will not be much employment on the transmission pipe line of the people who grease the wheels which operate the pump at the head of the well. That area will only be developed if, through the development of this pipe line, we make some concessions in return for the monopoly that we are giving the companies. I came to the conclusion a long time ago that those members of parliament who sit here and do not pay any attention to these bills, or who are not really concerned about what happens with them, particularly the pipe line bills which have to do with our basic resources, have no right to stand up and say the government has not done this or that. The fact is they have provided the means whereby exploitation is made possible. To me the word "exploitation" is a dirty word. I have nothing against the words "exploration" and "development", but to exploit someone is to take advantage of him. And I think the Canadian people, and particularly those in the area concerned, are often taken in. So it behooves us in the granting of these franchises to bend over backward to protect those who sometimes do not even know they should be protected.

I am not prepared to concede that the National Energy Board should have sole jurisdiction over what this company is going to do. If the hon. member for the Northwest Territories depends on the board's decisions then I think he should take a look at its record during its short life. Its record certainly has not been sound from an engineering point of view or from a political point of view, nor have its policies been farsighted in the national sense. It has not done those things which the two previous speakers said it would do. However, to be fair to the National Energy Board, perhaps it was not set up to do these things. All I am saying is that certain members have put too great a reliance on the board. I suggest it will not accomplish these ends. It may not be able to do this because it has no power to do so. Nevertheless I can assure hon. members that no matter what the reason is, these things will not be accomplished.

I hope that when this bill goes to the committee and when it returns here some hon. members who really believe that this legislation should provide as much impetus as is possible to the development of that area will be prepared to move a number of amendments which will ensure that this company will do exactly what we want it to do.

• (6:50 p.m.)

If what they want to do is transport oil and get royalties for transporting oil, then I am 100 per cent in favour of the company receiving a franchise. I believe the people of this country must be protected. If this bill is going to accomplish what members have said they wish to accomplish, it would seem to me to be a very unusual thing to pass it. Anyone reading it is going to be hard pressed to find out if it is the intention of the company to build the pipe line. The only place in which that intention is revealed is the title, an act to incorporate Rainbow Pipe Line Corporation.

Mr. Deputy Speaker: I must advise the hon. member that the time allotted to him has expired.

Mr. T. S. Barnett (Comox-Alberni): As my colleague has just said, Mr. Speaker, the bill before us is entitled an act to incorporate Rainbow Pipe Line Corporation. In view of the fact the bill has been introduced by the hon. member for Northwest Territories (Mr. Orange), one might be led to observe that this rainbow has an "orange" hue. However, that sort of remark is the type one is tempted to make when he is beginning to think about the desirability of having dinner.

I had an opportunity last summer of getting a glimpse of the Northwest Territories, as the hon. member knows, as a result of being a member of a committee which visited the area. I certainly share his interest and concern in the development of the basic resources of the area. As a result of that trip I realize that, in part at least, the development of a major oil producing field in the Northwest Territories would be a matter of great significance to that part of Canada and to the country as a whole. If the area is to develop in a major way, I believe that more and more it must find its basic resources beneath the ground.

The fact the hon. member is introducing this bill emphasizes his interest in the matter. However, I must say that I share the concern of the hon. member for Timiskaming (Mr. Peters) over the fact that this parliament should not go out simply hunting rainbows. The name of the bill does not necessarily mean there is a pot of gold at the end for the people of the Northwest Territories. In this case it may be black gold. The sponsor of the bill did give some of the background, at least to the extent of indicating there was some relationship between the introduction of the bill and the activities that have been carried on within the boundaries of the province of Alberta. He explained that because of the geology of the area, activities in search of oil may shortly be extended beyond the northern boundaries of the province of Alberta.

Like my colleague from Timiskaming I am concerned about bills of this type which appear to give certain interests virtually a blank cheque to build a pipe line interprovincially, internationally or anywhere they may take the notion to do so. Reference has been made to the National Energy Board and the fact that there are bodies before whom a particular application would have to come. Perhaps the scepticism about the National Energy Board voiced by the hon. member for Timiskaming arises as a result of the terms of reference given to that board by this parliament. Perhaps the multiplicity of pipe line bills and the rather helter skelter approach that has been taken to the provision of transport for this particular product arises from a basic difference of outlook as to what constitutes a public utility, and the approach that should be taken to the building and development of public utilities. This is a particular area of debate which I believe should be made applicable to each and every one of these bills coming before us.

I really had no communication with my colleague from Timiskaming concerning what he would say about the bill. However, if time permitted I would have been inclined to draw the same parallel he did to indicate that we should take advantage of the experience gained from the railway boom in this country. I hope when the members of the committee consider this bill they will not take the line of argument advanced, that we should deal with the mechanics of incorporating a company and leave the other questions to the National Energy Board.

I hope before the bill is passed members will be satisfied that, even within the limits of present public policy in respect of pipe line construction, the proposal to incorporate this company is a bona fide one and will produce the necessary transportation facilities for the oil that may be produced in that area north of Alberta.

Mr. Deputy Speaker: Order. The hour for consideration of private members' business has expired.

Mr. Peters: Mr. Speaker, since it is one minute to seven we would be prepared to have the question put.

Mr. Deputy Speaker: Is the house ready for the question?

Mr. Ballard: It is my understanding, sir, that the motion will be passed on division.

Motion agreed to on division, bill read the second time and referred to the standing committee on miscellaneous private bills.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

The Chairman: The committee will stand adjourned until eight o'clock.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order. House again in committee of supply, estimates of the Department of External Affairs, vote No. 1.

Mr. Martin (Essex East): Mr. Chairman, before the adjournment I think I had observed that Canadian assistance to UNRWA is motivated primarily by humanitarian considerations and that contributions from Canada and from other countries have been applied to its relief and health services as well as to education and vocational training of the refugees. However, I readily admit that as yet no effective means has been found to remove permanently the basic causes of this problem.

While the United Nations can do a great deal to resolve this problem and must try to do what it can in this regard, it must be recognized, I think, that the responsibility too must be shared by the countries involved in the Middle East. The United Nations is an organization of sovereign states as provided in the charter. The United Nations has no real way of imposing its will with regard to this question on Israel or the U.A.R.

When I was in Israel in 1958 I discussed this problem with that great man, Mr. David Ben Gurion, and he outlined to me the difficulties from the point of view of Israel, just as I had an explanation of the U.A.R. point of view a few days before that from President Nasser. This is one of the key sources of conflict. An endeavour must be made this time to try to resolve this great problem, with its tragedy for so many human beings. We must not place the responsibility only on the UN. That organization does have its responsibility, but this is a problem which can only be solved with the co-operation of the countries themselves.

My hon. friend from Greenwood questioned my figure when I said we were giving $1.5 million to the United Nations Works and Relief Agency to assist the refugees. Perhaps he did not have the time to examine the estimate carefully. The original pledge to the United Nations of $1,200,000 consisted of $500,000 in cash accompanied by $700,000 in wheat flour. A supplementary contribution for the current fiscal year in the amount of $300,000 in the form of wheat flour was announced by me on May 4 of this year.

• (8:10 p.m.)

There is another aspect of this problem that I would like to mention and that is with regard to the supply of arms to countries in the area. In searching for ways and means of finding grounds for the establishment and maintenance of peaceful conditions one should not overlook the desirability of preventing a continuation of the arms build-up among the states of the Middle East. I think it has been clearly demonstrated that the contest in arms acquisition in the Middle East which has gone on in past years has contributed largely to the regrettable development of present full scale hostilities and at the same time has had a most debilitating effect on the relatively weak economies of the countries involved. Surely the large sums expended toward the establishments of war machines would have been better devoted to an improvement in living conditions of the people of the area. I say this, fully understanding at the same time the tensions and provocations and the concern of Israel, particularly for the preservation of its own integrity. In the kind of world in which we live these considerations have got to be borne in mind.

On the question of arms build-up I would earnestly hope that supplier countries, and especially the big powers, could arrive at an understanding which would prevent a recurrence of the unfortunate incidents which we

have witnessed during the past few days. It is the firm intention of the Canadian government to continue its policy and practice of not providing military supplies to the area. The general policy of governments that have practised this concept is not to supply arms in any theatre of conflict.

I need hardly say that the current period of cease fire which we all earnestly and confidently hope will lead to the restoration of calm and a lasting peace is a most crucial one. Circumstances call for the utmost degree of restraint if the efforts of the United Nations are to reach fruition. If we are to make any progress on the basis of what has so far been achieved by the United Nations, all concerned must exercise restraint, refrain from harmful or dangerous statements or actions and we must all demonstrate a readiness to co-operate wholeheartedly toward the attainment of further permanent objectives.

I should like, before I take my seat, to say something about the United Nations emergency force and the future of peace keeping. I have already made a comment on the remarks in this particular subject by the right hon. Leader of the Opposition. I said that I did not regard the forced withdrawal of the UN forces and the forced withdrawal of the Canadian component in any way as a humiliation for this country. It was not because of any weakness in Canadian foreign policy that this developed. I am sure that there will be regret over the withdrawal of the force which, in spite of what the right hon. Leader of the Opposition said this afternoon, served as a great source of pacification.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): Lord Caradon said something similar in the security council this afternoon only a few minutes ago.

I am sure that the United Nations will address itself to a form of peace keeping presence, if that is desired by the countries more directly involved. We shall of course do our utmost, as a loyal member of the United Nations, to support such a concept.

I want to make it clear that we are not seeking any additional responsibilities. This country need not be ashamed, as I have already remarked, of its interest in peace keeping and in its contributions to this idea. We supplied in 1949 a component of the United Nations military observer group in India and in Pakistan. In 1954 we provided part of the United Nations truce and supervisory organization, which continues to function as an observer group. In 1956 we supplied the largest component in the United Nations emergency force in the Middle East. In 1958 we had a large group in the United Nations observer group in Lebanon. In 1960-64, when my right hon. friend was Prime Minister, Canada supplied a substantial group of signallers and technicians to the operations of the United Nations in the Congo. In 1962-63 we were part of the United Nations temporary authority in West New Guinea. In 1963-64, together with Yugoslavia, we composed the United Nations Yemen observation mission. In 1964 we supplied, and continue to supply, in Cyprus the largest unit in the United Nations force in that island. The only two United Nations peace keeping missions in which Canada did not participate were those in Greece in 1947 and Indonesia in 1947-48. Outside of the United Nations, the only peace keeping force as such in which Canada has participated has been the international control commission in Indochina. Our participation in the United Nations force in Korea in 1950-53 can be construed as peace keeping, although obviously this was a special situation.

I think that in the face of this record we, in this house, and the people of this country have no reason to feel humiliated because our force was asked to withdraw peremptorily one week ago last Sunday for reasons that were unjustified and for reasons which, I am sure, the government concerned would now recognize as being unreasonable and based on alleged facts that cannot be substantiated. Of course, we naturally regret—all of us—the developments which led to the withdrawal of the force itself. The tragic outbreak of hostilities which we have witnessed this week following the withdrawal of the force could not have borne more eloquent testimony to the very serious implications of that withdrawal and to the signal contribution made by UNEF for over ten years to the stability of the Middle East.

I want to join with others in paying my tribute to the members of the Canadian Armed Forces who have, over the ten and one half years in UNEF, played such an important role in the service of the United Nations and of peace. It is a fact of the greatest significance that every Canadian soldier who is employed outside this country in the forces of the United Nations is engaged in what I believe is as noble a function for a soldier as any function which could be assigned to him. I want to pay tribute, likewise, to the magnificent job carried out by the Royal Canadian

Air Force personnel in airlifting the entire Canadian contingent from the Middle East to Canada in less than three days.

Demands on the United Nations to undertake peace keeping operations will, I believe, continue to be made despite the difficulties which have surrounded the withdrawal of UNEF. World conditions will remain troubled; I hope they will get better, but international disputes will remain unsettled for years to come. The United Nations will not be able to deal with all of these situations or to solve all of these disputes, but it will remain the only international organization which, in most instances, is acceptable as an impartial outside presence. In particular, it seems to me that the great powers will prefer that the United Nations intervene in certain situations rather than be drawn in themselves with incalculable consequences for world peace.

Nevertheless, and as far as Canada is concerned, the manner of UNEF's withdrawal is bound to have the effect that contributors to peace keeping operations will be even more concerned in future to define as clearly as possible in advance the terms of reference of peace keeping operations and in particular the relationship between the UN and the host country. It is clear that peace keeping must be based on the consent of the governments concerned. It is not enforcement action which is action taken by the security council to maintain or restore international peace and security in accordance with the application of sanctions under chapter VII of the charter. We fully accept that peace keeping cannot be carried out without the approval of the host government.

• (8:20 p.m.)

It should not be forgotten, however, that the contributors to peace keeping operations must also give their consent to the arrangements under which the operation is to take place. They too have their interests to protect. It is only on the basis of mutual confidence that peace keeping can be carried on to the benefit of all.

I continue to believe that it is the right course for Canada to be prepared to help the United Nations to carry out its primary task under the charter namely the maintenance of peace and security, provided we are satisfied that the terms and conditions are such as to make this task feasible and are compatible with our foreign policy interests. It may be that there are those who will say we are not impartial in regard to certain disputes and therefore that we are not eligible for particular operations. If so, we shall not find it difficult to stand aside. It is not our wish to impose our presence anywhere that it is not wanted.

[Mr. Martin (Essex East).]

I must say that I do not agree with my right hon. friend when he says that Canada, because of this incident, has lost the confidence and the respect of many nations in the world. From my experience with my contacts, and I suppose they are as extensive these days as those of the right hon. gentleman, my impression is that Canada in most parts of the world is respected as a nation that seeks to carry out its obligations under the charter as honourably and as dutifully as any other member state of the organization. We have never pretended, and we do not now pretend to be the world's peace keepers, great as has been our experience in that regard. We are a country with views of our own. We have our own interests and our own policies and these must come first. But it is still our strong view that there is no substitute for the international organization of peaceful conditions in the world, and that the United Nations still offers the best hope of peaceful intervention in certain situations.

This is not the time to turn away from the United Nations, to turn back to international conditions as they existed earlier in this century. Therefore I have no hesitation in repeating that Canadian support of United Nations peace keeping operations, provided these take into account our interests as a contributor, is the right course for us to follow as one of the important elements in our defence and foreign policy; and as long as I am in this office this is what we will continue to do.

The situation in the Middle East has brought home to us the interdependence of the world in which we live. It has brought home to us that a reluctance to face the causes of hostility and human friction is bound to assert itself in undesirable results at some future date. That is the situation that has confronted us during the past three weeks. We now have an opportunity of rectifying errors in this part of the world. These are errors that all nations must share, those directly involved as well as other countries in the international community.

We must now make sure that this war is brought to an end. This the security council has done as effectively in the circumstances as I would have hoped could be the case.

What the Secretary General will be empowered to do remains yet to be decided. We made a proposal yesterday that there should be a follow-up on the decision to order a cease fire, a follow-up by making sure that the cease fire was implemented and that the necessary steps were taken consequential on that decision.

There is now the problem of recognizing that in the Middle East, as in Africa and as in Asia, many countries have a very low standard of living. The U.A.R. is one of the less developed countries of the world. Its housing and its population problems impress one just as they do the visitor to populous India. Our responsibilities in raising the standards of the people of the world must not be confined only to Africa and to Asia. They must be extended all over, and this is one region that must be included.

Surely then it ought to be possible for all of us in the United Nations to determine by our policies that we are going to do a number of things. We are first of all going to see to it that the brave people of Israel are not denied the right which was given to them by the United Nations. It was the United Nations that brought this country into being, that gave it form, that gave it substance, and the United Nations has a responsibility to see that both the form and the substance remain. So, its integrity is basic in whatever we do, likewise its right to contacts with the outside world through the strait of Tiran and the gulf of Aqaba.

As I said earlier, we have got to meet the terrible problem of the dislocated families and peoples in the Gaza, and wherever the refugees are, and to see to it that they are given the opportunity of a full life, thereby removing one of the temptations of some of the excessive nationalism that in some parts of the Middle East has made itself felt in the last 20 years.

This is a gigantic problem. It is not a problem that can be solved overnight; but if this regrettable situation in the last few weeks does no more than bring home to us the collective responsibility of all of the nations, including those primarily involved, perhaps it will have forced on us the realization of the kind of hostility that has provoked this terrible situation.

I take my seat, not apologetically in any way for the United Nations or for the United Nations force. I believe that in the kind of world that we live in, with all its imperfections of structure and capacity, there is no other view one can take of the United Nations than to regard it as an inevitable institution in this interdependent nuclear world. Those who criticize it have been among those who at one time have lauded it the most. Those who have been criticizing peace keeping, including the United Nations emergency force, have been among those to claim the authorship of the idea.

Let no one in this house mistake the significance of the structure that we are building. We are slowly building in the international community, in spite of these regrettable situations, a kind of legal order that was gradually built up only after centuries of effort in the domestic community of every country in the world. The authority of the law in England did not always reside with England. The authority of the law in Canada did not always reside, historically speaking, with the nation state. Justice was once meted out by buying off vengeance from the individual. It was only bit by bit that the community asserted itself.

That is what is happening despite all our problems; in spite of war and the danger of war, that is what is happening in our world today. With these beliefs which I know members of this house share, we must see to it in this particular situation that the United Nations is not needlessly depreciated. It must be supported so that it can meet the tremendous problems that lie ahead in the Middle East, and which lie ahead—who knows—in Viet Nam, and which lie ahead in other situations which may develop. Let none of us believe that we make a contribution to world progress if we lose faith, the second time in 35 years, in a collective security system designed to establish order among the nations of the world.

• (8:30 p.m.)

[*Translation*]

Mr. Laprise: Mr. Chairman, in the last few hours, we have become more optimist about the Middle East conflict.

Early this afternoon the right hon. Prime Minister (Mr. Pearson) announced that the members of the security council of the United Nations had unanimously agreed to the cease fire resolution. A little later he advised that the United Arab Republic had followed the example of Israel and we have reason to believe that all violence has now come to an end in the Middle East.

But that does not mean that the crisis itself is resolved.

In my humble opinion, the cause of this war, which goes back a very long way, still exists, and the fire which has broken out so suddenly in the past few days had been smouldering for about twenty years. Even though the belligerents have laid down their arms, it does not mean that the fire has been completed extinguished but rather that it is under control, and if the United Nations which represent the world nations, fail to take the required steps, that fire could blaze up again sooner or later.

Therefore, I feel, Mr. Chairman, that we can now be proud of the work done in the last few days by the United Nations which succeeded in obtaining a cease fire, and I also think that the Canadian government, and especially our diplomatic service, deserve our congratulations. I wish to stress more particularly the fine work done by the Prime Minister and the Secretary of State for External Affairs (Mr. Martin) at the United Nations to obtain a cease fire between the United Arab Republic and Israel.

If things have worked out so well up to now in the Middle East, I wonder why the security council could not adopt the same attitude toward Viet Nam.

That area has long been in the throes of strife; it has been the victim of massacres, which not only wounded many and left many mutilated, but also made numberless victims. In spite of this, less attention seems to be given to Viet Nam than to the situation in the Middle East. Is it then less cruel to massacre yellow citizens than Jews or Arabs?

A while ago, I expressed my joy at the thought of the cease fire in the Middle East because, for several years now, as arms modernize, we note that the number of civilian deaths increases as compared with the number of deaths of military personnel.

In fact, during a recent visit to Expo, Father Dominique Pire stated that, during the first world war, the percentage of civilian casualties was 5 per cent, whereas it rose to 46 per cent during the second world war and increased further to 75 per cent during the Korean war and finally reached 85 per cent in the current conflict in Viet Nam.

That means, Mr. Chairman, that soldiers are not the only ones to be affected by war, but an ever increasing number of civilians are casualties in these massacres.

I do not want to make any comparison with what has happened in the United Arab Republic because I have noted—and I am not the only one—that the reports supplied by press, radio or television did not overly insist on the casualties in this Middle East war. Just a few newspapermen, two or three, were killed in this war to date and it might seem as if this was only a newspaperman's war. According to reports received up to now, I can imagine that the number of victims, civilian or military, is surely considerable and that we must be very gratified to see the massacre ended, for the time being.

Tonight, Mr. Chairman, I should like to state the position of the Ralliement Créditiste on the war in the Middle East. Like all the other hon. members of this house and, I think, the whole Canadian people, except perhaps for a few profiteers, we deplore this war and any other elsewhere in the world. We realize that war does not solve any problems but merely satisfies passions sometimes. The present conflict in the Middle East, likewise, will not solve the problem which dates from the end of world war II.

The causes of this war must be eliminated. Those who spoke before me today pointed out that following the partition of Palestine, a great many Arabs were forced to live in what is known as refugee camps; according to what I have read, they are in fact more like concentration camps. This is, in my opinion, one of the causes of the present war in the Middle East.

I have not had the privilege of visiting these Arab and Israeli countries to see the difference existing today between this piece of land given the Israeli and known as Israel, and what it was before, and what there is in Arab countries surrounding it. I readily imagine that those who were necessarily displaced by the creation of that state, of that country, in 1947, have harboured hatred, not against a country but against men, which we can easily understand if we take into consideration the state of misery these people have been living in as a result of this partition.

I would like here to quote from an editorial published in *Le Devoir* today, June 8, signed by Jean-Marc Léger who precisely emphasizes the point I just raised, that it is not so much the Arabs themselves who are attacking the Jewish people than the Arab states which are attacking the Israeli state, because of this partition. Here is what Mr. Jean-Marc Léger wrote:

• (8:40 p.m.)

The various events which have been the immediate cause of the conflict are in fact only of secondary importance with regard to the only real problem: is peaceful coexistence possible between Israel and the Arab states? It is necessary

to say "Israel" and not between the Jews and the Arabs, because—contrary to what a misinformed public opinion often thinks in the west—the Arabs are not anti-Jewish. Semites themselves, they have had for centuries proper, sometimes friendly, relations with hundreds of thousands of Jews living among them in north Africa and in the Near East. It is only with the advent of the sionist movement to create Israel that the Arabs took a stand, not against the Jews, but against a state which they considered to be the result of spoliation and imperialism.

I fully agree with the editorial writer of *Le Devoir* that such hate, unlike what is noted in certain conflicts, is more an affair between states than between men.

Mr. Chairman, we, in the Ralliement Créditiste, are in favour of an immediate cease fire, as happened in the last few hours, and we urge the Canadian government to continue its representations to the United Nations, so that the cease fire may be continued and respected, at the same time as negotiations are conducted for an enduring peace that will remove the causes of that conflict we have witnessed in recent days.

I believe that the Canadian government, the Canadian people and indeed the United Nations should draw their inspiration from the statements of His Holiness Pope Paul VI and of the Montreal-Ottawa synod of the United Church of Canada meeting at Macdonald College.

This is the statement of His Holiness Pope Paul VI, as published in *Le Devoir* of June 8, and I quote:

"Let the fighting be suspended," said the pope, echoing the resolution of the security council, in a speech given during a public audience.

After wondering in a tone of deep bitterness, "For more than twenty years now, peace has been preached; must this be the result?... Can the demon of violence, vengeance, cruelty never be torn out of the hearts of men?" Paul VI continued:

"We do not despair of peace, because we do not want to despair of man, and because we want to hope in the irrepressible strength of the Gospel, although slow and thwarted, and the merciful help of God." He then asked that negotiations be entered into, and that trust be shown those institutions which are called upon to "promote peaceful relations between nations".

Paul VI finally reiterated his appeal for the safeguard of the holy sites, held sacred by Christians, Jews and Moslems alike. He urged everyone to show kindness, mercy and love, and to pray that feelings of justice might prevail and peace might be restored.

Mr. Chairman, I should not like to analyse or try to explain what His Holiness the Pope meant by the words "that feelings of justice might prevail, and peace might be restored", but the speeches we heard earlier today and my own former comments on the causes of this war in my opinion confirm the fact that there was injustice somewhere, for surely war is not declared for the pleasure of fighting, as in the case of a sport, but because there are reasons for it. Even though it has been impossible to determine who was the aggressor, I think that both sides felt there was injustice somewhere and, in my opinion, this is something to which the United Nations should address themselves as soon as possible, not only in the Middle East but in every hotbed of war in the world where the United Nations are called upon to act and restore peace.

And the United Church of Canada, at a meeting held at Macdonald College, in Montreal, on June 7, stated:

The synod refuses to blame those responsible for the declaration of war. As a synod, however, we want to declare unanimously that such an action was totally useless and could not solve a conflict with international dimensions.

Even a limited war cannot be but costly in human life and equipment. More over, it may become extremely dangerous if other countries choose to take a partisan stand.

We exhort the members of our Christian community to unite in prayer with all the people of good will and ask the Lord to extend His peace to those areas of war.

And we state our desire to serve the Lord in order to show His mercy to all the victims of such violent action.

We proclaim our appreciation to the security council of the United Nations which accepted unanimously to propose to the belligerent nations a cease fire, and to our own country, Canada, which stated its neutral stand and its wish to participate in any peace keeping action and procedure in the Middle East.

We again want to assert our confidence in the United Nations and its secretary, and to voice our belief that the UN is absolutely essential to maintain peace between nations.

I think that we must be inspired by those statements, because they invite us to place our confidence in the United Nations for the restoration of peace in the Middle East, and the elimination of the causes which led to that conflict so that we may have a lasting peace.

Mr. Chairman, the Ralliement Créditiste wishes that our Canadian diplomats should continue their action and efforts with the United Nations, so that peace may be restored in that area, and that equally desirable efforts should be made to bring about a cease fire and to restore peace in Viet Nam. The conflict in this area has already lasted too long and I think that we should make the same efforts to stop the war in Viet Nam as soon as possible. Action should be taken as quickly as in the

Middle East. We would then be proud of that second victory of peace over war.

• (8:50 p.m.)

[*English*]

Mr. Olson: Mr. Chairman, I was hoping that when the Secretary of State for External Affairs was making his speech this afternoon and this evening, near the conclusion he would have filled in the members of this house on what has happened at the security council meeting during the last two or three hours. However, the minister may have some good reasons for not having done this, and there may be nothing new to report.

Mr. Martin (Essex East): Mr. Chairman, perhaps at this time I might be allowed to say that there are two resolutions before the security council, one put forward by the United States and the other by the Soviet union. The resolution of the United States calls for a cease fire; it calls for withdrawal within a certain context; it calls for action by the secretary general, by a United Nations official designated by him or by someone else, to establish bilateral contacts between the parties involved and to try to begin negotiations toward a more permanent settlement. The Soviet union resolution calls for the designation of one of the countries as an aggressor. There has not yet been any vote.

Mr. Olson: Mr. Chairman, I thank the hon. gentleman for that additional information. I was particularly interested, however, in whether there had been any further response from some of the other countries involved in the war on whether they had accepted the original resolution calling for a cease fire. We know that Israel, Jordan and the United Arab Republic have accepted, but of course there are other countries involved.

The news broadcast that I heard about an hour ago was that there had been a broadcast out of Syria, I think, that they had again stated they would fight until they had their flag flying over Tel Aviv. The other matter in which I am particularly interested is whether some arrangements have been made in the security council by way of statements from either Israel or the United Arab Republic as to some acceptable way of effecting the cease fire, because so far it would appear that Israel will accept it provided her enemies do so, and the United Arab Republic has said they will accept it provided Israel accepts. It seems to me that we must have some additional information as to what both sides have said. Also, we have no word about the action taken to reconcile these two statements and obtain some effect from them. However, Mr. Chairman, that may come later.

I wish to speak only briefly on these estimates tonight. I would say to the Secretary of State for External Affairs and all hon. members of the house that it is my intention to outline six suggestions that are supported by this party and then to deal briefly with each one. Before I do that I would say that we claim no exclusive authorship or originality for what we are suggesting. In fact we are gratified to find that there is near unanimity in this house on many of the suggestions which I shall now outline.

Now that the United Nations security council has taken the first essential steps to restore peace in the Middle East there are a number of other essential follow-up actions that in our view must be taken immediately.

First, we must have the presence of the United Nations made manifest in and along all the frontiers where and when the cease fire takes effect.

Second, we must immediately strengthen the United Nations truce supervisory organization to the extent that they will have adequate personnel and facilities to continually patrol every mile of the frontier.

Third, we believe we must be prepared to provide immediately massive shipments of food, etc., to all the people on both sides who have been hurt by this war, and particularly to the refugees.

Fourth, we believe there must be a bilateral, first, and then an international commission established to negotiate and determine the immediate as well as long term settlements between the antagonists.

Fifth, we must be prepared to provide substantial long term aid for the rehabilitation of the refugees.

Sixth, all the countries in Europe, on both sides—that is, in western Europe and eastern Europe—as well as North America, must cooperate in a massive program of economic aid to raise living standards, particularly in the Arab countries.

We believe that people all over the world should be grateful indeed to every single member of the security council for setting aside past differences and unanimously passing the resolution calling for an immediate cease fire. There have been some comments by the news media recently that Russia has suffered a great diplomatic or psychological

defeat by agreeing to the resolution calling for a cease fire. I have heard this commentary made more than once by the C.B.C. personnel at the United Nations. We believe that rather than pouring salt in the wounds or hurling brick-bats, the U.S.S.R. should be commended and congratulated, along with all the other member countries, for taking this action.

Some hon. Members: Hear, hear.

Mr. Olson: Now that the U.S.S.R. has taken this first essential and desirable step, it is to be hoped that she will continue to co-operate by providing materially to the cost that the United Nations will have to undertake in giving effect to the resolution.

At this time, as the Secretary of State for External Affairs has just confirmed, some of the countries involved have not accepted the resolution of the United Nations security council and so the cease fire has not yet been fully effective. However, immediately upon being accepted by all the antagonists involved, the United Nations truce supervisory organization must be prepared to move in and re-establish the presence of the United Nations between the opposing armies in all areas. This is no small matter because first of all it is a very small organization and second, because its headquarters in Jerusalem were overrun and occupied by the Jordanian army followed by the Israeli army.

• (9:00 p.m.)

If the Secretary of State for External Affairs could interrupt his conversation long enough to listen, I would like to point out to him that during the last two or three days since the first reports that UNTSO headquarters have been overrun I have been trying to find out from him whether or not this organization has been regrouped, whether its efforts have been coordinated and what is its status. I even attempted to ask him questions during his speech this afternoon. I do not really think that this should be classified information.

Mr. Martin (Essex East): I am glad my hon. friend has asked me that question. As of nightfall, local time, this evening we have had confirmation that all the Canadian personnel serving with UNTSO are safe and well. We do not have particulars concerning one soldier in UNTSO who is missing, but the force seems to be secure and I am happy to say that all Canadians with UNTSO are reported safe and well.

Mr. Olson: I am pleased to hear that, but that is not the whole story. I also think there is an immediate need to regroup, re-organize and co-ordinate the activities of all the men in the organization who are in the Middle East at present. We do not know whether or not another headquarters has been established.

Mr. Martin (Essex East): Yes, they are occupying a hotel in Jerusalem.

Mr. Olson: This is information we have not had until now. In addition to that, however, we believe that the whole organization should be substantially strengthened because the cease fire lines are apparently going to be rather long. We believe sincerely that every mile needs to be patrolled continuously so that minor outbreaks will not again escalate into massive military operations. I want to say in this respect also that I believe Canada, in spite of some of the reservations that were voiced by the right hon. Leader of the Opposition respecting the change in the Canadian armed forces, will be able to find sufficient qualified personnel within the Canadian armed forces to meet any commitment or any request that is made by the UN.

I am certainly no expert in matters in the Middle East or in external affairs, but I did spend a few days in Israel in November of 1962 so I have some knowledge of the terrain along some of the borders, particularly in northern Israel, between Israel and Jordan, Israel and Syria and Israel and Lebanon. It is a great undertaking to supervise a truce along these frontiers. Right along the frontiers there are large hills or small mountains and great valleys. The highways along them are not well developed. There are some collective farms, kibutzes, right up to the border. Therefore, unless a demilitarized zone is established there and a well supervised truce maintained in the area with sufficient men and equipment to do the job properly, in my opinion incidents will continue to occur. This is why I say to the minister tonight that this supervisory organization and the truce commissions should be substantially increased at once. I do not believe we should wait. I think we are justified in calling on our government to take action now to make sure that the personnel is ready to move immediately into any area to which the security council directs them to go.

There is also the tragic plight of hundreds of thousands of people who have been hurt, not only in recent military operations but also

the refugees from both of the previous military encounters in 1948 and in 1956. These people will require food and other aid in massive quantities immediately if the discontent is not to continue festering. I think that Canada should be prepared to move immediately and provide substantially more aid over and above what we are doing now. If this matter is not attended to at once, I think it would be foolish indeed to hope that peace will be maintained for long.

Before we can expect any pull-back to permanent positions, I believe a commission must be set up to establish the lines and to consider the other conditions of a settlement. We believe that there will be some difficulties in conducting the negotiations, particularly with regard to the area around Jerusalem. We know now that the old walled city of Jerusalem was previously in the hands of Jordan. The Israeli army have occupied that area. According to the press reports we have received, the Israeli government, or at least some spokesman of the government, has said that Israel will never again leave the old walled city of Jerusalem. That is an indication that the state of Israel is not willing to move back to the borders that were in effect prior to the recent hostilities, and that there are probably other areas, such as Sharm el Sheikh, from which Israel will be reluctant to move back.

So I think we must bear in mind that the conditions of settlement will be very difficult indeed. I believe that in the first instance a commission should be set up. It should be primarily a bilateral commission involving the countries concerned, that is Israel and the United Arab Republic, Israel and Jordan, and so on, in other words, the nations directly involved. However, I think there should also be an international commission which would consider seriously what would be a just settlement, because it is far too important to the countries other than those directly involved in the maintenance of peace, to leave the whole matter to them in the hope that they will reach final and lasting agreements. I say that, not in despair that they will not be able to reach any agreement, but because I believe that if such an agreement cannot be reached it should become the responsibility of an international commission. We think this is an essential step which should be taken at once.

I said I would be brief, and I will conclude by suggesting to the members of this committee that it is a well known fact that throughout the ages the Jewish people have suffered terrible persecution in all parts of the world.

[Mr. Olson.]

It should also be acknowledged and recognized that the Arabs gave up some land which they had occupied for centuries to provide at least a measure of settlement. I suggest that this partial settlement, whereby land was provided for the present state of Israel was a great relief to the conscience of the whole world because of the persecution of the Jewish people over the centuries. I think that because of that we owe a great debt to the Arabs and especially to the refugees.

• (9:10 p.m.)

I suggest that long term aid for the rehabilitation of refugees as well as to enhance the living standards of the area cannot be postponed again. The United Nations was able to buy ten years of time in 1956 to try to settle this problem. Unfortunately very little, if anything, of a lasting nature was done during that ten year period. The cost of providing this kind of aid in a humanitarian way is far less, and in my opinion, far more acceptable than the alternative which would be the cost of providing a massive, defensive war machine. The alternatives today are clear as they never have been before. I believe it is not difficult for Canadians to choose the alternative that is most acceptable to them.

Mr. Chairman, the United Nations has been put to the supreme test during these past few days. There was the need for taking some positive action or the organization would collapse. I sincerely believe that. I am not discrediting it or discounting the useful work it has performed in the past. What the United Nations was facing in the past few days was critical. There are no words which can overemphasize the seriousness of that critical situation. It is for this reason I say the security council was obliged to bring forth some positive action or the whole world would have lost confidence in the purposes and functions of that organization.

I believe that the organization came through, perhaps because there was no alternative to saving the peace. In conclusion, Mr. Chairman, I am glad to say things look better today than they have for a few days. As the minister has said, this is not the time for any disparaging remarks about the United Nations. The organization has come through. All we can do now is hope and pray that the aspirations of people for an effective settlement according to the resolutions passed in the security council will come to fruition as soon as possible.

Mr. Nesbitt: I think all of us in this committee are agreed on one thing, that is the

absolute necessity of a world organization to try to keep peace and order in the world. If I may say so, Mr. Chairman, the taking of the attitude adopted by the Secretary of State for External Affairs and the previous speaker, that the United Nations, right or wrong, should never be subjected to any constructive criticism on the many problems and faults the United Nations has is, I think, a rather unrealistic way of looking at things. It is not my intention to make a speech concerning the difficulties of the United Nations, but I believe many people realize the United Nations has a great many faults. There are many things that could be done to improve that organization. If I heard the two hon. gentlemen correctly, they said that the United Nations was perfect and should not be subjected to any constructive criticism.

Mr. Martin (Essex East): I do not think either of us said that.

Mr. Olson: Neither do I.

Mr. Nesbitt: I certainly heard what both hon. members said, but perhaps I interpreted their remarks differently from the way they intended. I am basing my remarks on what was said.

The other thing which the Secretary of State for External Affairs said, and with which the hon. member for Medicine Hat agreed, at least by implication, was that the United Nations came through in this emergency. Well, they did. I think we should be realistic about this. If the Arabs had been winning the war rather than the Israeli, I am not so sure things would have gone so smoothly at the United Nations. There may have been a quite different picture altogether if the Arabs had been successful in the war.

Mr. Martin (Essex East): Will my hon. friend enlighten the house on exactly what he means by that statement?

Mr. Nesbitt: It seems to me that perhaps the Soviet union might have exercised its veto on the cease fire resolution had things been going in the other direction, shall we say. Since the Arabs, whom the Russians were supporting, were not too successful, perhaps there was not any alternative. Regardless of the reason, things have worked out better than I think most people hoped they would.

There are just two or three points with which I should like to deal. I have no desire to deal with matters that have already been dealt with by other speakers. First of all, as I understand it, the minister told us a few moments ago that the Canadian resolution has not yet been voted upon by the United Nations.

Mr. Martin (Essex East): Perhaps my hon. friend would like to be told that the Canadian resolution is now one of the operative parts of the United States resolution.

Mr. Nesbitt: Can the minister perhaps tell us if it is included as a paragraph of the United States resolution? Has the minister a copy of the United States resolution?

Mr. Martin (Essex East): Yes, I have, but it is quite a long resolution.

Mr. Nesbitt: If it is lengthy perhaps the minister could give us the general purport of the resolution.

Mr. Martin (Essex East): I have already given it to the hon. member who just spoke. First of all, it embodies the resolution put forward last night by the Canadian ambassador. The second portion requests full compliance with the cease fire resolution of the security council. These are some of the ideas embodied in the United States resolution which was tabled today.

This resolution also calls for the Secretary General or the president or someone else other than the Secretary General or the president, to try by bilateral contacts between the two countries involved to implement the terms of the cease fire, and for the United Nations to work toward a solution of the fundamental problems of the area. It calls upon all nations to co-operate toward that end. Implied in this operative part is an invitation to the great powers to use their influence in that regard.

Mr. Nesbitt: I am certainly very pleased to have this information. If I may say so, I think this resolution is a considerable improvement over the terms of the Canadian resolution. The Canadian resolution, in effect, left the arranging of the cease fire in very broad, general terms at the discretion of the secretary general and, of course, the current president of the security council. This is a help, I think, but of course the security council president changes every month. It is not very likely the United Nations would have been able to work out the problem very quickly—they never do and this way have caused some problems.

I can understand how some countries might have had reservations about the Canadian resolution because of the discretion given to the secretary general and the president of the security council. I think the secretary general would have been the one who would have carried the load of work in considering such questions as finance, whether troops were to be used to inspect the cease fire and what the geographical positions would be of the Arab and Israeli armies after a cease fire. These are broad terms and the discretion is quite wide to give to two people.

• (9:20 p.m.)

Rightly or wrongly, Mr. Chairman, many people were not very satisfied with the way U Thant used his discretion when this matter first came up and Egypt demanded the withdrawal of UNEF. A great many people feel that U Thant should have gone to Cairo and first discussed the matter with President Nasser before he disbanded UNEF. By disbanding UNEF the secretary general threw away the one bargaining lever that he had; and once UNEF was broken up it was like Humpty Dumpty,—pretty hard to put together again.

These are matters of judgment and discretion, of course, but there was not complete unanimity, to say the least, of approval of U Thant's behaviour. I think that the United States resolution to which the minister referred, which embodies the original Canadian resolution as well as some other matters, is a very decided improvement. Many countries are a little dubious about giving the secretary general, even with the assistance of the current president of the security council, complete carte blanche on questions as important and wide as these.

If I may deal with another aspect for a moment, Mr. Chairman, it seems to me that if we are to keep permanent peace in the Middle East and prevent another outbreak of hostilities and violence we really have two choices. Obviously, there is the choice to which the minister alluded and which is implied in the United States resolution, the choice of the four major powers—the United States, the Soviet union, Britain and France —guaranteeing the borders of Israel; and I think that this would be the most practical and easiest way of maintaining peace if it could be arranged. Second, that we have a large enough United Nations peace keeping force which is sufficiently well armed to be able to keep the peace. That is the alternative.

Interestingly enough, Mr. Chairman, this suggestion was first made a good many years ago prior to the 1956 war. On January 31, 1956 this suggestion was made by the then member for Prince Albert, the present Leader of the Opposition. I have the relevant passage in front of me but I will not quote it. The right hon. gentleman pointed out that in order to keep the peace a large enough United Nations force to enforce the peace and to keep it should be provided. If we are to have a UN force there and want to be sure that there can be no other outbreak of war, and if we cannot get a four power guarantee, then we would need a pretty well armed, large force in that area.

It is not often that I criticize the government on matters of external affairs. Usually there is pretty general agreement between the party that I represent and the government party on such matters. However, I must say that in this particular instance I do have some criticism of the government and its handling of the matter.

Despite what the Minister of National Defence says to the effect that the unification of the Canadian armed services does not have the principal purpose of just serving the United Nations, General Allard stated quite differently. On the very day the unification bill was passed by this house he said in St. Catharines—

Mr. Martin (Essex East): Why does my hon. friend not read what General Allard said in the committee?

Mr. Nesbitt: The minister suggests that I read what he said in the committee, and as I have it right in front of me I will do so.

Mr. Martin (Essex East): Why not read that?

Mr. Nesbitt: I will read both, Mr. Chairman. The newspapers cannot always be wrong. It seems that someone is always being misquoted when reports in the press do not agree with the impression that the minister would like to give. The newspaper clipping I have from the Woodstock *Sentinel-Review* carries the headline "Mobile world peace force major goal, says Allard", and the report is datelined St. Catharines. This statement was made, as I recall it, the day the bill was passed.

The minister did ask me to read what General Allard had said, though I have put it on the record on several occasions.

Mr. Martin (Essex East): Read where he outlines the three points.

Mr. Nesbitt: I do not know what the minister has in mind but I do know what I have in mind.

Mr. Martin (Essex East): I know what the hon. gentleman has in mind, which is why I am trying to get the hon. member to read the three points that General Allard made in the committee.

Mr. Nesbitt: If the minister wants to put them on the record I would be very happy to yield the floor to him in a moment. I should like to refer to an extract from the evidence of General Allard before the defence committee on Tuesday, February 28, and which is referred to at page 15004 of *Hansard* for April 17:

> Canada now wants, while remaining faithful to its existing commitments, to decide itself on the part it wishes to play in the new international society. This is not only its right, it is also its duty. It is its duty to participate, to the best of its ability, in keeping the peace by supporting the organization which has made itself the champion of the smaller nations, the United Nations organization.
>
> In short, that is the transformation proposed by the white paper. That is what we are trying to do. My duty is to organize the military forces in accordance with government policy.

That is what General Allard said at St. Catharines, and it is what U Thant said the other day in Montreal.

Mr. Martin (Essex East): What is wrong with that?

Mr. Nesbitt: The question whether or not it is advisable is a matter of opinion and debate. I think it is wrong to make the major duty of our defence forces the serving of UN purposes and turning the defence of this country largely over to the United States.

Mr. Martin (Essex East): Surely my hon. friend does not do justice to his reasoning. He read out that General Allard stated that apart from our foreign policy commitments we should so mould the development of national defence consistent with our obligations in the United Nations. He did not ignore the fact that we had other foreign policy commitments, such as NATO. My hon. friend should read that passage again.

Mr. Nesbitt: That is what General Allard said in the committee, but later on he said that a mobile world peace force was the major goal. The secretary general also said the other day that he had that information. It is a question whether one thinks this is advisable or not. I agree that an argument can be made for doing that kind of thing, but that is not the subject for discussion tonight.

Mr. Martin (Essex East): Mr. Chairman, I must insist. My hon. friend read to the committee what General Allard said. General Allard did not say exclusively what my hon. friend is now affirming. General Allard said that we had certain foreign policy commitments and that we also intended to do a peace keeping job. What my hon. friend is seeking to do is to convey the impression that General Allard said that our only purpose in national defence now was to provide for peace keeping. That is not what my hon. friend read out a few moments ago and attributed to General Allard.

• (9:30 p.m.)

Mr. Nesbitt: The minister can think whatever he pleases, and if he wants to make another speech he has a perfect right to do so. I do not know what other impression can be gained from what the secretary general said in Montreal the other day. The right hon. Leader of the Opposition put that on the record this afternoon. I do not know what other impression can be gained from this newspaper sentence, which I again quote: "Mobile World Peace Force Major Goal, Says Allard" than the obvious one, even though the minister says that peace keeping is not the major goal of the unification bill. That it is the goal of that bill is the impression of a good many people, including leading members of the press, of this country. They have that impression regardless of what the minister says.

Mr. Martin (Essex East): I look upon the Woodstock *Sentinel-Review* as one of the leading members of the press.

Mr. Nesbitt: I read out the heading of a Canadian Press dispatch. If the minister does not like the Canadian Press, that is his business.

Mr. Martin (Essex East): I like the Canadian Press, too.

Mr. Nesbitt: That is where this dispatch came from.

Mr. Douglas: The minister is all things to all men.

Mr. Nesbitt: I shall come to that. The leader of the N.D.P. made a very apt observation.

I notice that the Secretary of State for External Affairs has becoming very touchy this evening, almost as touchy as the Minister of National Defence was this afternoon. I thought that the defence minister would go sailing through the roof of the chamber when he became stirred up by the Leader of the Opposition on this subject.

Mr. Martin (Essex East): I like my hon. friend too much to get stirred up.

Mr. Nesbitt: The minister usually sits in his place, with his words sort of giving the impression of a taste of honey. He has that bland look on his face. But he got a little exercised this evening.

Despite the minister's denials and protestations, even he will agree that one of the major goals of Canadian defence policy, which of course is only an arm of Canadian policy, is for a peace keeping force to be used not only with the United Nations but perhaps for NATO or for places like Viet Nam. In the recent meeting of the external affairs committee the minister said that if Canadian forces were wanted in Viet Nam they would be available for peace keeping operations. Having said that, surely he cannot deny what the major goals of unification are. The major effort of Canada, through the United Nations last fall, was to develop guide lines for peace keeping. Though the resolution was excellent —I liked its terms—Canada got a very severe rebuff at the United Nations.

Mr. Martin (Essex East): That is not accurate; my hon. friend knows that.

Mr. Nesbitt: What is that? I did not hear the minister.

Mr. Martin (Essex East): The matter is still before the United Nations. It is being discussed.

Mr. Nesbitt: The minister knows better than I do that the matter was put on ice by referring it to that committee. It will stay there for a long time. Only because Canada is well regarded at the United Nations was it dealt with as kindly as it was. The effect is that the resolution did not pass. There were many abstentions, and it was a very minor resolution. One of the reasons for the resolution's failure is that the United Nations had difficulties with the Soviet union and France over the payments for peace keeping operations. Also there is a general lack of willingness at the United Nations to bring the matter up at the present time because of what happened a couple of years ago when they had to cancel the session because of the difficulties between the Soviet union and the United States. It was not an appropriate time to bring the matter up.

I think the idea is good; I am in favour of it. I like the terms of the resolution, but I think the timing was bad. Because the United Nations at that time was not too interested in peace keeping, and for a number of reasons it was not a good time to bring the resolution forward. Despite what the minister said a few minutes ago I thought that Canada was put in a humiliating position by having her troops kicked out of Egypt by Colonel Nasser. This is the fault entirely of the government, which is always talking about quiet diplomacy.

Mr. Martin (Essex East): Do I understand my hon. friend to say that it was the fault of the government that our troops were asked by Colonel Nasser to leave?

Mr. Nesbitt: Yes, and I will tell the minister why.

Mr. Martin (Essex East): Why? That is most illuminating.

Mr. Nesbitt: The minister may not agree, but I shall tell him why that is—

Mr. Martin (Essex East): I am overwhelmed by that suggestion.

Mr. Nesbitt: The minister can get as sarcastic as he likes, but facts are facts. The present government has always talked about quiet diplomacy in Viet Nam and elsewhere. Probably it was a good idea. If there had been a little more quiet diplomacy a couple of weeks ago with respect to the Middle East there would not have been so much trouble. First of all you have the Prime Minister making announcements that he and President Johnson had agreed on what was to be done, and that they had things cooked up; and then President Johnson denied that. The Secretary of State for External Affairs made remarks one day to the effect that Egypt had given up some of her sovereignty when the United Nations force came in; and he made a statement to a quite opposite effect on another day. This kind of thing annoyed the Arbas.

The government decided to be neutral and provide peace keeping forces in this area, yet I do not think it should be neutral in this matter, for the reasons that were outlined by the right hon. Leader of the Opposition. I do not think we should be neutral toward

Nasser's policy of genocide. If we are neutral toward that policy, we are denying everything in the United Nations charter.

If the government had decided that it would be neutral, at least it should have been consistent and acted in a neutral manner, rather than giving clear indications that it was siding against the Arabs. Instead of acting in the way it did, I think the government should have come out clearly and distinctly and said that it thought that Nasser was wrong in his attempt to wipe out Israel, that it was genocide, and that that was against all United Nations' principles. Instead of that the present government said, "No, we are neutral." The Prime Minister said in his interview: "I have no feeling one way or another on the subject." These contradictory statements by the Prime Minister and the Secretary of State for External Affairs all have succeeded in annoying the Arabs, and as a result our troops were ordered to get out because of this government's pronouncements. If that was not the government's fault, I do not know what was.

I wish to say another thing, too. One cannot be all things to all men at all times as the minister and the government so often have tried to be. Sometimes you have to stand for what you think to be right.

I wish the hon. member for Montreal who is always making observations would occasionally get up and make a speech.

Mr. Prud'homme: He is not from Montreal.

Mr. Nesbitt: One of the most severe problems that we face now, and this is something that has been postponed from one day to the next for a long time, is the question of the Palestinean refugees in the Gaza strip who number now about one and a half million persons. The presence of these refugees for many years has been the main bone of contention, and they are now causing trouble. One thing also is quite clear. Though the United Nations emergency force worked moderately well for ten years nobody, but nobody, paid much serious attention to the basic issue of solving the difficulties of these refugees. I do not blame any government for this, because all governments in part are responsible. The fact is that the United Nations is always under pressure to deal with urgent matters because emergencies have arisen. Also, these urgent problems in the Middle East have apparently been overlooked for ten years, since there was no immediate emergency in the area. Every year, before the so-called "old chestnut" committee where such problems are brought up, the Arab refugee problem was aired and nobody did much about it. Everybody said, "We shall have to wait; time will cure it; maybe it will go away." But it never did go away.

Then there is the question of the water rights in the Jordan river, not to mention access to the gulf of Aqaba. Nobody made any serious attempt in the last ten years to solve those problems. As the minister said, some serious attempt must be made to solve them, or we shall need a four power guarantee or large numbers of troops in the area for a long time to come. If something is not done the Egyptians or some of the others will arm again.

Other problems will arise because of the immediate and troublesome question of oil. Some Arab countries, Iraq, Lybia and Algeria, announced that they had cut off oil supplies to Britain and France. Though it would be more costly for Britain to import oil from the United States she will not place her future economy in danger again by having to rely on the whim and caprice of emotional Arab leaders. If Great Britain makes other arrangements to obtain her oil, that will remove a large percentage of the national income of these already impoverished countries and that, in turn, will present a serious problem to the United Nations.

• (9:40 p.m.)

The United Nations will have to provide a great deal of additional economic aid to these countries, the oil sales of which are thus curtailed, over a long period of time. Then there is the question also of the Israeli borders and, as has already been suggested today, Israel should be given the entire city of Jerusalem.

Possibly some of this area should be made an international territory, and it should be made clear that Israel has the right of entrance to the gulf of Aqaba so that we do not still have it as a bone of contention. Also, something should be done about water supplies from the river Jordan. These are the things which have to be dealt with.

Also, to stabilize the area the great powers and the United Nations should give much additional aid to Arab countries because poverty in those countries is an indirect contributing factor to much of the trouble. They see considerable progress and prosperity in Israel. Possibly it is the fault of their own leaders that they do not have the same in theirs. These are festering sores and much must be tackled in the long range.

We will have much to do to improve the life and living conditions of the Arab peoples, and certainly of the Arab refugees. So far as I am aware, the only country over the years that has taken in any of the Arab refugees has been Iran. The others did not want to take them in because, in a manner of speaking, they wanted to keep the trouble spot glowing. Some arrangements will have to be made to settle these people, and if countries like Egypt, Iraq and Lybia will not take them, arrangements will have to be made to provide them with permanent homes elsewhere.

I see it is nearly a quarter to ten, Mr. Chairman, and there may be other hon. members who want a chance to speak. I think we should have had a longer debate on this subject, but that is not to be the case. I think I have covered most of the points I wished to cover and so I will accordingly close.

Mr. Macquarrie: Mr. Chairman, it is not very easy to speak on such a broad issue in so few minutes at such a time of day. We have had, as was to be expected, not many new ideas expressed today, perhaps because there are not too many new ideas which may be applied to this difficult area of the world. But hopefully, after what we have passed through, to some of the old ideas there might be brought some new will and some determination of purpose that we did not have previously.

I think most sensitive people in the world have been fearful in the last few days, literally afraid that that word Armageddon might in fact become a fearful and awful reality, and that the part of the world which was the cradle of mankind could become its grave. We had come close to the brink. We have often come close to the brink, but if there is one hopeful thing about these crises it is that it would appear that the boiling point has gone up a great deal in our time.

Things which would have created war 25, 50 or 100 years ago have been passed by. We have looked into the awful pit and somehow or other we have had wisdom enough to pull back. We all went through the same emotional experience over the Cuban crisis. With all its faults the United Nations is something to which we must cleave, to which we must give our best because, putting it very simply, Mr. Chairman, it is all we have. It has had its failures and it has had its successes. It is a body stronger structurally than the League of Nations, and I think it is stronger in a way that is often most criticized, namely that through the composition of the security council it shows a realism that, on the great questions of war and peace, unless you have some sort of accommodation among the great powers the goal will not be attained. The old classic concept of the concert of Europe is involved in this realistic structure of the security council. As we have been talking this last few days about the permanent members of the council we have constantly referred to four. Strictly speaking there are five, and why do we do not say five is itself an indication of something very important.

I agree with many of the suggestions that have been made. Much more must be done in financial terms. Much more must be done with respect to the terrible human problem of these suffering refugees. Many people are responsible for the plight of these people, including Israel, but I would think not primarily Israel. However, aid and finance alone will not solve these problems, which are as old as time itself. Man has slain his fellowman in the Holy Land for generation upon generation. There are ancient hatreds; there are remembrances of egregious errors which have been made, of covenants which have been broken, of promises which have not been fulfilled. We would be very naïve indeed, Mr. Chairman, to believe that it will be any easier tomorrow for Arab to speak to Jew, and for the enemies who have just gone through a war to be more readily prepared to work hand in hand and to attack problems many of which indeed affect, if not afflict, both peoples.

So, I think that while we are all feeling a sense of relief that the worst did not happen, and are all profoundly grateful that great power accommodation did take place under the aegis of the United Nations, these problems remain to be tackled. I think it is very important that the great powers met under the aegis of the United Nations. I was not at all happy at the prospect of the four great powers withdrawing to some part of the world in summit conference, thus figuratively closing the doors to the United Nations.

Some things must be said about the great powers. I think great leadership was exercised by Washington, a place often criticized by some of our Canadians. Perhaps the Soviet union was realistic. Perhaps it might have acted differently had not the heroic and brilliant Israeli army done what it did. We do not know, but foreign policy is a very realistic science if it is to be successful, and we have to take stock of the realistic aspects.

The days ahead will not be easy: They will be hard. We have these hard, impelling problems that the hon. member for Oxford mentioned. We talk about the right of Israel to live. That is something that any UN member must talk about. Of course the people of Israel have a right to exist, but what happens if other people say it is a cardinal point of their foreign policy that Israel be destroyed? The mere utterance of the earlier statement puts you in contradiction with such people. Therefore it is extremely difficult to be regarded as uninvolved in the dispute. We are involved of course to the extent that we are UN members, but I would not think that we are impelled to go any further in our designation of who is right and who is wrong.

A lot of people have been wrong a lot of times. The record of reports which have been dealt with in various UN bodies indicates that. I am not one of those who are terribly proud of what Britain and France did in 1956. Britain has done wonderful things and fought many just wars. It has been a great champion of freedom, but if the book were written I think the Boer war and the invasion of Egypt would not be in one of the more glittering chapters. However, that is in the past.

Many errors have slipped into the record. Now we must be positive. We have to work very hard. How long will it take to sort out the boundaries? Will it be easy to say to a victorious army, "You now withdraw"? The normal thing is that the defeated withdraw, and yet we cannot expect that the spatial territorial gains can all be maintained.

• (9:50 p.m.)

Someone today mentioned the holy city of Jerusalem, a city which is holy to so many people. One is sorrowful that these areas so sacred to so many millions have been the scene again of slaying, and have echoed again to the sound of gunfire. Can anything new be done about Jerusalem? I know there were earlier efforts made to make it an international city. Should a new effort be made? Could that area with freedom of worship available to all be made a great UN centre? In my opinion Jordan is a country which has suffered a great deal. I think it is too easy for some of us to say that we could take a portion away from Jordan. This might not be an adequate solution. There is no simple solution here. The hon. member for Greenwood mentioned that it is not a question of east-west but rather a question of north-south. He is right to a great extent. But there are east-west involvements. Some people have long been fishing in the troubled waters of the Middle East in an attempt to cause trouble. While there are many many reasons Israel is hated by its neighbours—if I may use that word in an unbiblical sense—one is because it is the greatest friend the west has in that area. I remember a very wise Israeli statesman telling me this at the United Nations.

Canada is a much better member of the United Nations than it ever was of the league of nations. I think we were a terrible member of the league of nations. As a charter member of the United Nations let us do our best to make the United Nations as strong as possible. I for one am not totally content with any explanation I have heard in respect of the voluntary withdrawal of the UNEF. I am not assessing the blame nor am I questioning the right of Egypt to so request, but I am not sure that the wisdom of yielding immediately to that request can be so easily defended. I believe it would be terribly difficult to fix the cease fire line. It would be tremendously difficult when one considers the kind of border Israel has, and when one considers the geography and topography of the land. It may be done. Something certainly will have to be done. The problem of the refugees surely must be attacked. I have read report after report from the commissioner. We are not even keeping pace with the problem; it is getting worse. We must do more, for now is the time—if there ever was a time when this was not the case—when the ills of mankind in any part of the world must be cured, for they affect all parts.

These constant agonies which threaten conflict are not something in which we can be casually disinterested. There can be crises in many parts of the globe. Let us improve the machinery and make it as strong as we can. I suppose in a way—this is the Holy Land we are talking about—we will end up in the final analysis asking ourselves, if we improve the machinery, will we strengthen our will to make it work. I noticed that the Prime Minister said a certain affirmation can be made but that the question is how to get the affirmation put into practice. Thomas Hobbes long long ago declared that man will not keep his covenants made. Perhaps if we become a little more alarmed at the kind of awful propensity we have for our own destruction —perhaps for such mundane reasons as that—we might become better international entities.

I think Canada, although not a great power in a military sense and sometimes perhaps

not as important as we in this House of Commons think, has a record of which we can be proud and surely has an opportunity to continue to be a good member of the international community. I for one hope that we will improve our United Nations role. I hope that we will extend our foreign aid. I hope that we will look at the UN realistically. I am not afraid to criticize it, because I think it has made its way. We cannot have it pass and wither away like the league of nations, because I am sure there is nothing to take its place. Considering what has taken place in my time I am not sure that we have ingenuity with which to proceed to create a new one.

In that benedictional tone I should end my remarks and say how much I appreciate the practical suggestions of those who have gone before. I should like to say that I realize the Secretary of State for External Affairs has been under a great strain the last few days. We all know that. When the chips are down in foreign policy we are not partisan. We wish him well in all his endeavours. We have the same wish for the efforts of the Prime Minister and Ambassador Ignatieff.

The Deputy Chairman: Shall vote 1 carry?

Mr. Douglas: No, Mr. Chairman. It is almost ten o'clock. I should like to ask what the position is in respect of item 1. The standing committee is dealing with the estimates concurrently to their being dealt with by the committee of supply. We wish to continue the discussion? Are we to continue with this item tomorrow?

Mr. MacEachen: Mr. Chairman, the business for the house tomorrow is unchanged from what was announced last evening. We will call the Department of Indian Affairs and Northern Development.

Mr. Douglas: Do I understand then, Mr. Chairman, that the estimates of the Department of External Affairs are to be returned to the committee although they have never been taken from the committee. They actually now are the property of the committee. I am opposed to allowing item 1 to pass. If we are not to continue the debate in committee of supply, then the item ought to be passed on to the committee on external affairs.

Mr. Nesbitt: Mr. Chairman, if we pass item 1 tonight the committee on external affairs would be precluded from discussing it at all. With great respect, I do not think it should be allowed to pass.

[Mr. Macquarrie.]

Mr. MacEachen: Mr. Chairman, whatever is done here will not prejudice the standing committee in the study of the estimates.

Mr. Douglas: The minister may say that it will not prejudice it, but the fact is that if the item is passed by the committee of supply, then the committee on external affairs is not likely to discuss an item which already has been passed by the committee of supply. Therefore we would ask that the item stand and either be discussed by the committee of supply or be studied again by the committee on external affairs.

Mr. McIntosh: Mr. Chairman, I call it ten o'clock.

The Deputy Chairman: Shall the item stand?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Rapp: Mr. Speaker, does the house leader have any changes to announce in respect of the business for tomorrow?

Mr. MacEachen: Mr. Speaker, the business as announced last evening will be the business for tomorrow and all next week in so far as I can foresee.

I understand that arrangements have been made which would allow me, with consent, to refer the annual report of the Department of Veterans Affairs to the standing committee on veterans affairs. If I had consent to revert to motions and to waive notice I would make this motion, which would allow the standing committee to consider the annual reports of the department, the Canada Pension Commission and the War Veterans Allowance Board.

• (10:00 p.m.)

Mr. Deputy Speaker: Does the house give unanimous consent to revert to motions and to waive the notice?

Some hon. Members: Agreed.

Mr. McIntosh: No.

Mr. Deputy Speaker: There is not unanimous consent.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

INDUSTRY—NORTHERN ONTARIO—POSSIBLE CLASSIFICATION AS DESIGNATED AREA

Mr. David Lewis (York South): Mr. Speaker, after the world matters we have been discussing all day it is almost anti-climactical to raise the point which is now on the agenda. On May 23 I asked the Minister of Industry (Mr. Drury) the following question which appears at page 471 of *Hansard*:

—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?

His Honour, Mr. Speaker, ruled that the question was too general in scope. I repeated a part of that question a couple of days later, on May 25, and Mr. Speaker, ruled at that time that perhaps it ought to be discussed at ten o'clock. It is as a result of those questions that I now raise this point.

I can summarize in only a few minutes what is at issue. For some years several members of the house—and as I have found from reading *Hansard*, this is particularly so of the hon. member for Timiskaming (Mr. Peters)—have argued that the old criteria for the designation of designated areas were not adequate, and the criteria relating to the number of unemployed or the extent of unemployment in an area took no account of areas such as northern Ontario where there might easily be unemployment, but the unemployed have left, or areas where the economic growth is slow, or areas where there has been a contraction both of the economy and the population. They have argued therefore, as I have read their speeches in *Hansard*, that the proper criterion was one that took into account the economic state of an area and all the factors of contraction of employment, contraction of population and contraction of opportunity for developing the area.

I do not pretend to be an expert on northern Ontario, but I have seen some of its problems over a number of years and I have been all over the area a number of times. It is perfectly obvious that in some parts of that part of the country there has been too much reliance placed on mining, which in many cases has come to a stop with nothing to replace it. It is also perfectly obvious that there has been very little development in some parts of the area of secondary industry, such as there ought to have been, to supplement mining.

This fact has always worried not only those who represent northern Ontario in this house and the Ontario legislature, but also the various reeves, mayors and municipal councils of the communities in northern Ontario. Some time ago they organized the Northeastern Ontario Development Association and, if my memory serves me right, about a year or so ago they made some submissions to the cabinet relating to the criteria for designating areas, and to the general problem in northern Ontario regarding economic and industrial development.

I understand there was also established a northern Ontario committee on which there were a number of members of this house and a number of representatives of municipalities. All these organizations and the northern Ontario committee have been saying the same thing for a long time. They have been pleading with the Minister of Industry (Mr. Drury) and with the government to broaden the criteria under the statute so that areas like that of northern Ontario could have the advantage of the incentives and the other advantages under the legislation for the development of industry.

For two or three weeks some of us have heard rumours that there have been discussions and there may have been some decision to change the criteria, and that something would be done to designate northern Ontario. The purpose of my question was to find out what actually is the case. I ask therefore the minister, who is here—and I appreciate his coming here because I know he was out of town during the day—this question: Has the government changed the criteria for designated areas, and if so is northern Ontario or any part thereof likely to be a designated area, under the statute, in the near future?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I thank the hon. member for being forbearing on a number of occasions when this question might have been asked and I was out of town. However, I am now back and the simple answer to the hon. member's question is yes. I should emphasize that this program is not, and is not intended to be, a program of regional development. I think most people would agree that the problem of regional development, particularly economic development within a province, is a matter primarily for the jurisdiction of the provincial government and not the federal government.

If we were to be engaging in a program of economic development within a province, this

would necessitate a joint federal-provincial program; and this is not what we have here. This is a program designed to provide job opportunities in areas of high chronic unemployment, in the discharge of what has been accepted as a primarily federal government responsibility, namely unemployment. The program, and the criteria, are consequently related to this problem.

The program is not concerned with simply statistical averages of registered unemployed. Account is taken not only of the numbers who are registered as unemployed in a manpower service area, but also of the unregistered unemployed. The best instrument we have for measuring this is to take the average non-farm family income as disclosed by the Dominion Bureau of Statistics and to assume that a family with a very low average annual income must of necessity, contain unemployed people, whether registered or not. With regard to areas having a widespread low non-farm family income, even though there may be very few unemployed registered there it is safe to assume that there are a number of people who are either fully unemployed or underemployed. Consequently, a level has been established for average non-farm family income and where the average is below this, the area is designated. Where the average is above this, the area does not on this account qualify for designation.

• (10:10 p.m.)

In addition we have a further qualification that in areas where there is a higher than average rate of unemployment but the rate of growth of the labour force has been very rapid, such unemployment is merely a question of catching up. The growth which is continuing has been overtaken by the influx of new workers, and consequently there is current unemployment. But because the employment opportunities are growing, this is not likely to be a chronic condition. So in areas where there is unemployment registered above a certain level, in fact 200 per cent of the national level, there is designation. In areas of lower registered unemployment, 150 per cent of the national level, and the rate of employment growth is less than two-thirds of the national average, this will qualify for designation. Again I will mention that where the non-farm family income is below a certain level—

Mr. Deputy Speaker: Order, please. I must advise the minister that the time allotted to him has expired.

[Mr. Drury.]

PUBLIC SERVICE—LEGISLATION TO INCREASE PENSIONS OF RETIRED CIVIL SERVANTS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Friday, June 2, as reported in *Hansard* at page 1081, I put this 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?

The Prime Minister's reply was as follows:

> 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.

I want to say that at this stage that reply is totally unsatisfactory.

I see that the answer to my question tonight is to be given by my genial friend, the parliamentary secretary to the Minister of National Revenue. It is difficult to quarrel with him, but I want him to tell the government that I am as close to the point of anger over this issue as I have ever been over anything since I have been in the House of Commons. There is not enough time to tell the story of the battles that some of us have put up for our retired civil servants for more than 20 years, but I will take a moment to recite a few facts regarding the last 12 months.

In June of 1966, a year ago, we finally got the agreement of the President of the Treasury Board (Mr. Benson) that so far as he was concerned the question of the pensions of retired civil servants could be referred to the special joint committee on the public service of Canada. The only condition he attached was that we must first of all deal with the other legislation before us. We dealt with that other legislation but we kept this question alive. Finally, in January of 1967 the government agreed to refer the matter to the committee. That agreement was expressed in a motion which enlarged the terms of reference of the special joint committee and gave us the authority to deal with this question. According to the report that our committee made on May 8, 1967, we held eight meetings during which we dealt with this issue, and we heard the evidence of 21 witnesses. Our report indicates the various organizations that these witnesses represented.

The result was a unanimous recommendation from the committee which was presented to parliament on Monday, May 8, 1967, recommending that there be increases in the

pensions of federal civil servants already retired. We did not prescribe an exact formula but we did lay down principles. I want to say that it was our understanding when the matter was referred to the committee and during the whole time that we were dealing with it, that if we came up with an agreement in the committee that something should be done the government would follow that recommendation with the appropriate legislation.

On May 8, in the closing hours of the last session, the report was tabled. I asked the President of the Treasury Board if action would be taken on it soon. Well, the answer was that the matter was under consideration. I asked my question again on May 15, again on May 25 and again on June 2. All we are getting now is the assurance that the matter is under consideration. But, the most recent answer is this reply by the Prime Minister that he cannot give the assurance this matter will be dealt with before we break for a summer recess.

Mr. Speaker, if the government asks this house to rise for the summer without dealing with this issue, this will be as cruel a hoax as it has ever perpetrated. These people have had the right to believe since last June, a year ago, when the President of the Treasury Board said he was willing for the matter to be referred to the special committee for study, that something would be done about it. This right was re-enforced when the matter was referred to the committee, and the right was further re-enforced when the committee composed of members representing all parties in this house made a unanimous recommendation in its report to the house on May 8.

Now, it is sheer nonsense for the Prime Minister (Mr. Pearson) to stand up and give us this old line about dealing with other matters that are before the house. I hope my anger is misplaced. I hope our retired civil servants are not going to be misled or fooled on this matter. But all we get in the house or in the meetings of the house leaders discussing the business of parliament is the fact that between now and the summer recess we are only going to deal with estimates, so far as we can, and two or three little matters of legislation that really do not amount to very much. Never has this item been listed as one of the things with which we are to deal before we rise for a summer recess. I say that this would be a cruel hoax, that this parliament will be acting in an immoral fashion if it goes away for a summer break without having dealt with this issue.

Do not tell us it is a complex matter. It was dealt with in 1957 by an item in the estimates and then in 1958 by legislation. I am sure that the departments concerned have been working on it for months. They ought to have been. We have been discussing the question for 20 years, generally; we have been discussing it specifically for the last 12 months.

There is no excuse for not going ahead with this measure. So far as I am concerned, this parliament should not take a summer recess until we have dealt with the problem of increasing the pensions of our retired civil servants. If we put it off until the fall hundreds of people who are waiting for the increase will not be alive to receive it. I urge that there be no more of this kind of answer but that we be assured that there will be action on this issue before we break for a summer recess.

Mr. James E. Walker (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, it is obvious the hon. member who just resumed his seat feels very keenly about this matter. I feel I would be remiss in replying to him tonight if I did not point out to this house, and to those civil servants affected, that this question is very much on the minds of the majority of the members of this House of Commons. It is particularly on the minds of the members of this house who have served or are serving on the joint special committee on the public service which was set up by this government.

Mr. Knowles: By this house.

Mr. Walker: But on the initiative taken by the government. No one is more concerned about civil servants, both past and present, than this government, which initiated legislation that brought into being collective bargaining. This is something which had not been done for 20 years or longer. This legislation brought about a new régime in personnel relationships between the government and its employees. The committee which had been considering the matter of civil service pensions was doing so, as my hon. friend has stated, because the subject matter was referred to them by the government.

Mr. Knowles: By the house.

Mr. Walker: On the initiative of the government.

Mr. Knowles: Oh, my eye.

Mr. Walker: The committee reported its findings and recommendations to the President of the Treasury Board. The government

has assured me and the President of the Treasury Board has assured me that this report is currently receiving the most urgent consideration.

• (10:20 p.m.)

I suggest, Mr. Speaker, that it would be far more beneficial to those who will benefit to have a sensible proposal put forward to the house by way of legislation than to do something under extreme pressure that in the long run may not be as helpful to those people we all want to help. When this consideration that I ask my hon. friend to accept has been finalized by the government, I can assure the hon. member for Winnipeg North Centre that legislation will be introduced in respect of this matter.

Mr. Knowles: I hope the pensioners concerned will live to see it.

Motion agreed to and the house adjourned at 10.23 p.m.

HOUSE OF COMMONS

Friday, June 9, 1967

• (11:10 a.m.)

The house met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF NATIONAL ASSEMBLY OF CZECHOSLOVAKIA

Mr. Speaker: May I bring to the attention of hon. members the presence in the Speaker's gallery of the president of the national assembly of Czechoslovakia and Mrs. Lastovicka.

Some hon. Members: Hear, hear.

Mr. Speaker: On behalf of all members I wish them an enjoyable stay in Ottawa and a pleasant visit to Montreal, Quebec and Cornwall.

[*Translation*]

On behalf of my colleagues, I wish our distinguished visitors a pleasant stay with us.

[*English*]

TRANSPORTATION

CLARIFICATION OF STATEMENT RESPECTING RAIL LINE ABANDONMENT APPLICATIONS

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I wonder if on motions I might make a very brief personal explanation on the matter raised yesterday by the hon. member for Medicine Hat (Mr. Olson).

I have checked my recollections and they are quite correct, namely that what I said about the abandonment of branch lines was that all applications for protected lines would be withdrawn as soon as the bill was passed. I have had a very careful check made of all my references, and I indicated that in the case of unprotected lines, it would not be necessary for new applications to be made but that the applications would be dealt with under the provisions and with all the protection of the new law, and that if there was any delay in establishing the Canadian Transport Commission the Board of Transport Commissioners has the power given to it by parliament to deal with these matters in the meantime. It would not be reasonable to hold them up because of a delay in the establishment of the new commission, but the new protection and the new provisions will apply.

CANADA DAY

PROVISION FOR NAME AND OBSERVANCE OF NATIONAL HOLIDAY

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. C-129, respecting Canada Day.

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker, the purpose of this bill is to give to our national holiday the name Canada Day, and to provide for it to continue to be celebrated on July 1 except when that day falls on a Sunday. This bill would make one other provision, namely that in any year in which July 1 falls on a Saturday, Canada Day would be observed on that day but Monday, July 3, would also be a legal holiday. If arrangements could be made for this bill to be passed shortly it would be effective, so far as its latter provision is concerned, this year; otherwise the next year that provision would be effective would be 1972.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

REFERENCE TO STANDING COMMITTEE OF ANNUAL REPORTS

On the order: Government notices of motions:

June 7—The Minister of Transport—That the annual reports for 1966 of the Canadian National Railways and of the Canadian National Railways securities trust, tabled April 26, 1967, and the auditor's report to parliament for 1966 in respect of the Canadian National Railways tabled May 29, 1967, be referred to the standing committee on transport and communications.

Mr. Speaker: Pursuant to standing order 21 this notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the house.

UNITED NATIONS

MIDDLE EAST—CANADIAN PARTICIPATION IN POSSIBLE PEACE KEEPING FORCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in view of the

satisfactory conclusion of the situation in the Middle East in what I might call an armistice, I would ask the Prime Minister this question. What is the situation now existing in respect of the reconstitution of a peace keeping force, has the government of Canada offered to the United Nations directly or indirectly the services of a mobile peace keeping force, and if so, in what numbers?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the question of the reconstitution of UNEF does not arise because that force has been disbanded. Whether the United Nations security council will request the establishment of a new observation group or peace force, or whether they will request the enlargement of the existing United Nations truce organization will depend upon decisions taken at the security council. They are at the moment considering resolutions which will have a bearing on this. No request has been made of the Canadian government for participation in any force because there is no force in being except UNTSO, and we are already participating in UNTSO.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the right hon. Prime Minister. With respect to the two resolutions which are now before the security council, one introduced by the Americans, which I believe incorporates in part the Canadian resolution, and the other by the Soviet union, I should like to ask the Prime Minister what position Canada will take with regard to these two resolutions. Also, can we have some assurance from the government that the Canadian representative at the United Nations will oppose any resolution which would require Israel to withdraw to its previous boundaries without a guarantee as to its security and its access to the open sea?

Mr. Pearson: Mr. Speaker, it is not possible for me to say what stand we will take in respect of any particular resolution before the security council. I understand that at least one or two of these resolutions are being re-examined in the light of the current situation. This does not apply to the Canadian resolution, which is still on the table. One of the resolutions, that is the United States resolution, has an element in it which could effect a withdrawal, but I gather it is being examined this morning, as is the Soviet resolution. Until we know exactly what resolution is being considered at the security council I think it is impossible for me to answer my hon. friend's question.

Mr. Douglas: Mr. Speaker, I have a supplementary question. In view of the fact that the security council is in the mood to order a cease fire in the Middle East, would the Canadian government give consideration to introducing a resolution calling for a cease fire in Viet Nam?

Mr. Pearson: My hon. friend knows of course that the situations are not in any way parallel.

CANADIAN CENTENNIAL

PROCLAMATION OF JULY 3 AS PUBLIC HOLIDAY TO CELEBRATE CONFEDERATION

On the orders of the day:

Right Hon. L. B. Pearson (Prime Minister): While I am on my feet, Mr. Speaker, may I state, in reply to certain questions which have been asked in the house recently, that an order in council has been passed proclaiming Monday, July 3, 1967 as a public holiday throughout Canada to mark the centennial observance of Confederation day, which this year falls on a Saturday.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I have a question in that connection. I notice the Prime Minister said "Confederation day". I thought July 1 was still Dominion day. Has the government changed that by order in council?

[*Later:*]

Mr. Diefenbaker: I do not know whether the Prime Minister heard the question I asked a while ago. I now ask him specifically, in view of the fact that the statutes of Canada refer to July 1 as Dominion day and he this morning called it Confederation day, does this mean more chiselling away of part of our heritage, when the government refers to this as Confederation day without a decision of parliament?

Mr. Pearson: Mr. Speaker, I really cannot answer such a picayune, chiselling question.

Mr. Diefenbaker: I ask the Prime Minister this question, which is not to be answered by facetious attempts at wit. Is the "Dominion" in Dominion day a dirty word now?

An hon. Member: It could be.

Mr. Diefenbaker: A shameful answer.

[*Translation*]

AGRICULTURE

REQUEST FOR FURTHER CONSIDERATION OF DAIRY POLICY

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the hon. Minister of Agriculture but in view of his absence, I shall put it to the Minister of Forestry and Rural Development.

As a result of the farmers' march on parliament on May 24 last, it was announced that the government would reconsider the request made by the farmers. Can the minister tell us now what decision has been reached with regard to the request the farmers made on May 24 last?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, the dairy commission announced last Friday, in a release distributed to the press and the members of this house, a revision of its quota policy and the alleviation of its subsidy policy to dairy producers with a low quota of fluid milk deliveries, giving them the opportunity to become manufacturing milk producers.

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I have a supplementary question for the Minister of Forestry and Rural Development.

We understand from the reply given that the meeting will not take place tomorrow as previously decided?

Mr. Sauvé: No, Mr. Speaker. We had announced, after the meeting with the leaders of the farm organizations, that before June 10, the government would make its position known on the farmer's requests for changes in the dairy policy and secondly, that there would be a meeting with the representatives of farm organizations to discuss the future dairy policy and farm policy.

[*English*]

TRANSPORTATION

REQUEST FOR STATEMENT ON RAIL LINE ABANDONMENT APPLICATIONS

On the orders of the day:

Mr. Reg Cantelon (Kindersley): Mr. Speaker, I have two questions for the Minister of Transport which are relative to the statement he made this morning. The first is, does he intend to have withdrawn order in council P.C. 167/569, which appears to wipe out the application of the new bill to certain abandonments? My second question is, when will we have the new Bill C-231 proclaimed, so that any abandonments which are to be proceeded with will have the protection of the new act?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, so far as the first of the two questions is concerned, I think I would have to look at the order in council before I would dare give an opinion, and perhaps I would not even then.

With respect to the second question, I did my best to answer it yesterday and the answer is still the same today.

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I should like to ask the Minister of Transport a supplementary question. In view of the fact that one of the key functions of this new commission was to be undertaken by the ancillary or independent group of cost accounting experts who were going to advise the new transport commission on economic matters relating to such things as applications for abandonment, master agency plans and so on, does the minister not think we should hold all these applications in abeyance until the new transport commission is fully constituted?

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

NATURAL GAS

REQUEST FOR SPEEDY ACTION BY U.S. ON PIPE LINE APPLICATION

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): My question is addressed to the Minister of Energy, Mines and Resources. In view of the possible rationing of natural gas in certain parts of industrial Canada, would the minister consider going to the United States government and asking that government to request their court of record, the federal power commission, to expedite proceedings as a courtesy to Canada in order that Canadian gas may be supplied to Canadian consumers?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): I believe the federal power commission is very well aware and has said so, of the point my hon. friend has mentioned. I do not believe I have to tell the commissioners what they already know.

Mr. Hamilton: I do not believe the minister quite understood the full import of my first question. I repeat it very simply. Will the

Canadian government go to the United States government and ask the United States government to go to their court of record, as a courtesy, and ask it to expedite proceedings so this emergency may be avoided?

Mr. Pepin: Our concern has already been brought to the attention of the United States government.

MR. JUSTICE LANDREVILLE

INQUIRY AS TO PENSION ELIGIBILITY FOLLOWING RESIGNATION

On the orders of the day:

Mr. David Lewis (York South): I should like to direct a question to the Minister of Justice. In view of the nature of Mr. Justice Landreville's resignation and the circumstances in which that resignation was induced, will the minister assure the house that the government has no intention of compensating Mr. Justice Landreville by a generous pension?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, the word "induced" used by the hon. member might apply to persons he knows, but I do not think he should put that word in my answer.

Mr. Lewis: I was referring to the Rand report, not the minister. He is as innocent as the driven snow.

Mr. Trudeau: What about the report, sir?

Mr. Lewis: The Rand report.

Mr. MacInnis (Cape Breton South): He does not know what you are talking about.

Mr. Trudeau: Mr. Speaker, I do not know that the Rand report refers to a pension—

Mr. Speaker: Order, please.

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Minister of Justice. Will the minister assure the house that no retired judge's pension will be awarded to Mr. Landreville without the matter first being brought to the attention of parliament?

Mr. Trudeau: Mr. Speaker, I see no reason why I should give that assurance.

[*Later:*]

Mr. Knowles: May I direct a further supplementary question to the one I asked of the Minister of Justice, in the light of the answer that he gave me a few moments ago. Has the question of a retired judge's pension for Mr. Landreville already been settled?

Mr. Trudeau: No, Mr. Speaker.

LABOUR CONDITIONS

BELL ISLAND, NFLD.—IMPLEMENTATION OF RECOMMENDATIONS OF ATLANTIC DEVELOPMENT BOARD

On the orders of the day:

Mr. Joseph P. O'Keefe (St. John's East): I should like to direct a question to the Minister of Transport. Can the minister tell the house whether the government has yet reached a decision on the recommendations of the Atlantic Development Board in connection with Bell Island, Newfoundland?

Hon. J. W. Pickersgill (Minister of Transport): Yes, sir, I am happy to say that the government has made a favourable decision on the recommendations. I hope an announcement of the details by the Atlantic Development Board will be possible some time soon.

VETERANS AFFAIRS

INQUIRY AS TO INTRODUCTION OF PENSION LEGISLATION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I desire to direct my question to the Minister of Veterans Affairs. In view of the fact that the government has seen fit to insert paid advertisements in newspapers across Canada proclaiming the week of June 11 to June 17 as veterans week and calling upon all veterans to wear their insignia as evidence of their service to Canada, will the minister inform this house when the Wood commission report will be received and whether the government will honour Canadian veterans by legislative enactment on pensions this year?

Hon. Roger Teillet (Minister of Veterans Affairs): As to the Wood commission report. I had the opportunity of speaking to the secretary in Winnipeg the day before yesterday. It is still hoped that the report will be in our hands by the end of this month.

As to the second question, I did answer it on a number of occasions in this house and I have nothing to add.

Mr. Winch: A supplementary question. Since the Wood report will be received by the end of this month, will legislative action be taken this session?

LETTER EXPLAINING RELATIONSHIP BETWEEN OLD AGE SECURITY AND VETERANS ALLOWANCES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Veterans Affairs. For the information of the members of this house would the minister inform us as to the contents of the circular letter which was sent out by the chairman of the war veterans allowance board to all war veterans allowance recipients, in which he explained the relationship between old age security and war veterans allowances, and advised them on how to proceed?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, perhaps the best way of dealing with this matter might be for me to table a copy of the letter at the first opportunity, and I would be pleased to do that.

PUBLIC WORKS

AMHERST, N.S.—USE OF CANADIAN MATERIAL IN WHARF EXTENSION

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Minister of Transport. Has the minister any good news for the week end about the extension of Pugsley wharf terminal at Saint John, which information has been sought in two previous questions?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I was in any event intending to reply to the hon. member for Burnaby-Coquitlam because I did not have the information yesterday. It was fortunate that I did not have it because the information I have today is much more up to date.

I am informed that tenders for the main job were opened by the National Harbours Board yesterday and that they are making a check with the lowest tenderer, the Foundation Company of Canada. There seems to be very little doubt, according to the information I have, that the subcontractors will be using Canadian steel. However, the steel contracts are subcontracts by the Foundation Company and not direct contracts let by the harbours board.

Inquiries of the Ministry

INDUSTRY

AUTOMOBILE AGREEMENT—STATEMENT ON NEW JOBS CREATED

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to address a question to the Minister of Industry. Yesterday the minister released figures estimating that there had been 15,900 new jobs as a result of the Canada-United States automobile treaty. My question is in arriving at this estimate did the minister take into consideration the number of people who lost jobs in the closing of several car parts manufacturing plants?

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

RESULTS OF SURVEY OF FOREIGN OWNED SUBSIDIARIES IN CANADA

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 regarding the press release he issued yesterday concerning the survey of foreign owned subsidiaries in Canada. The minister said he had had a good response from 266 of the 820 subsidiary companies operating in Canada. Since this response comes from less than one third of the companies I want to ask the minister whether in his opinion this is a good response, and when he expects to get a reply from the other 554 companies.

Mr. Speaker: Order, please. I do not think this question is in order.

Mr. Douglas: Then may I rephrase it, Mr. Speaker. I merely ask the minister, in view of the fact that the response is from less than one third of the subsidiaries operating in Canada, when he expects to get replies from the other 554 companies.

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I think I should answer that question because it leaves a misleading impression. Virtually all the companies we wrote to asking for this kind of information replied. A very small percentage of companies have not yet replied, but have said they will reply.

Mr. Douglas: A supplementary question. May I ask the minister why only 266 companies out of 820 mentioned by the minister in his report were asked for information?

Mr. Winters: I think the hon. member must be misinterpreting some of the figures, and I will have a chat with him.

Inquiries of the Ministry

PUBLIC BUILDINGS

VANCOUVER—REQUEST FOR CHANGE IN SITE OF NEW BUILDING

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I desire to direct to the Minister of Public Works a most urgent question having to do with the city of Vancouver, but in his absence and because of the urgency of an answer being required by the city council of Vancouver, may I ask the acting minister whether he would take note of the question so an early reply may be given. Can the minister advise what consideration has been given or what decision has been reached relative to the request that the Department of Public Works make a change in the proposed site of a new federal structure to be erected in Vancouver?

Mr. Speaker: Order, please. I do not think that question qualifies for this period of time.

Mr. Winch: The Vancouver city council think it does, sir.

FINANCE

IMPLEMENTATION OF TARIFF CHANGES FOLLOWING GENEVA CONFERENCE

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): I wish to direct a question to the Minister of Finance. Because it has been indicated that there may be a release of information in July regarding the tariff changes made at Geneva, and because of the importance of the matter, may I ask the minister whether legislation will be required before any of these changes are implemented?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, some of the tariff changes that have been negotiated will not require parliamentary approval because parliament has already authorized the government to make reductions in certain tariffs. Others will require legislation because they involve reclassifications. In other matters, for example, as the change in the anti-dumping laws, parliamentary action will be required. In any event, Mr. Speaker, the changes would not come into effect until parliament had been given ample opportunity to debate the matter.

[Mr. Winters.]

BIRTH CONTROL

INQUIRY AS TO AMENDMENT OF CRIMINAL CODE

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): I wish to direct a question to the Prime Minister. Considering that yet another great country, France, has decided to legalize birth control, might we not have a definite assurance from the Prime Minister that legislation will be introduced during this session to legalize birth control in Canada?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think I have already indicated that—

Mr. Speaker: Order, please. I wonder if that is not a repetition of a question which has been asked very recently.

Mrs. MacInnis (Vancouver-Kingsway): It is a repetition of the answer, Mr. Speaker.

SUPPLY

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Administration—

1. Departmental administration, $2,209,800.

The Chairman: Order, please. House again in committee of supply, estimates of the Department of Indian Affairs and Northern Development for the fiscal year ending March 31, 1968. Vote No. 1 is to be found on page 200 of the blue book of estimates and details are listed on page 203. Shall vote 1 carry?

Mr. Dinsdale: Mr. Chairman, does the minister intend to make a statement to open the discussion this morning? I think it would be helpful if the minister could make a brief statement which would act as a frame of reference for our discussions today. It might even help to confine the subject and expedite proceedings in the committee. Otherwise many members, as a result of recent committee activity, I know would be inclined to range far afield.

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Chairman, I should like to made a brief comment on the work of the department, and I intend to keep it brief because I propose to deal with only three or four aspects of the department which are of the greatest importance.

Mr. Barnett: On a point of order, Mr. Chairman, before the minister begins his remarks I wish to ask the minister and the committee whether it is proposed that we deal with the various aspects of the department in some sort of orderly sequence. That is to say, could we not take the Indian affairs branch, then the northern program, the parks program and so on, in an orderly fashion. That, I think, is partly what was in the mind of the hon. member for Brandon-Souris. I wonder if the minister could not proceed in the way the hon. member for Brandon-Souris suggested, so we do not jump all over the place or from one aspect to another of the minister's department.

Mr. Laing: Of course the hon. member who has just spoken will realize that under item 1 in the estimates the responsibility devolves upon the minister to deal with all aspects of his department. It will be my proposal to say a few words about the national parks of Canada and the historic sites and monuments work allied to that, also about my responsibilities in respect of Indian affairs and my responsibilities in respect of the development of the north. I propose to take the subjects in that order.

I wish to remind the committee that again we have a crisis in connection with the provision of park facilities in Canada, but this is a crisis of plenty and not of poverty. During last year the attendance in our national parks again increased by 15 per cent to a total of 11,300,000 persons. This is an indication of the desire of Canadians that these services be supplied. In addition we are beginning to realize that the national parks of Canada are one of the great magnets for that part of the tourist business of this country that comes from outside Canada.

We have worked most co-operatively, I think, with most of the provinces in looking toward an expansion of the national parks system.

We are progressing very well with the Kejimkujik park in Nova Scotia which will open next year for the public of Canada. We have studies under way with Ontario, Prince Edward Island, New Brunswick, Saskatchewan and Alberta at the present time, and also a small study with the province of British Columbia dealing with the long expressed desire that is reflected by hon. members from British Columbia. Whereas we have five national parks on the Atlantic coast, it is felt that it is about time we should have one park at least on the Pacific coast of Canada. Recently we have given an undertaking to the province of British Columbia, and at the present time we are studying with British Columbia authorities an area that is very close to the Long Beach part of Vancouver island which I am informed—and I must confess I have not been there—is one of the most beautiful areas of Canada.

We have been thinking in terms of amending our act to make it possible for us to acquire additional amounts of sea shore in Canada. As I have already reported to the house, and I repeat this, we are concerned that an increasing amount of our sea shores are being purchased by persons who are not citizens of Canada. We think it is about time we took steps to see to it that an adequate amount of these open areas along the sea shores of Canada is available for national purposes—

• (11:40 a.m.)

Mr. Douglas: Does the announcement mean that the government has not been able to reach any satisfactory arrangement with the government of British Columbia regarding a park in the lower mainland around Garibaldi mountain?

Mr. Laing: I must say we have had no satisfaction in negotiating for Garibaldi park. That area is a provincial park at the present time. The province pointed out to us that there were resources there, timber and reputed resources of metal, that it wished to develop. We undertook to move the boundaries of the park so as to exclude these areas which the province thought contained resources, placing its limits at the sea shore and the Squamish river. We have not had a good response in respect of that proposal. However, I am still hopeful that some day this will be a national park, because it is reported to me by people who are authorities on alpine meadows that here we have an area unsurpassed by any in the world.

We have received good co-operation from Saskatchewan, and we hope to make an announcement at a fairly early date concerning a national park in that province. Other provinces have been very co-operative indeed.

Mr. Roxburgh: May I ask the minister a question. How far have the discussions between the federal government and the province of Ontario advanced with respect to the establishment of a national park in this province? How soon is it expected that these talks can be concluded? How is this progressing?

Mr. Laing: I appreciate the interest taken in this subject by the hon. member. He has repeatedly shown a very deep interest in these negotiations. I must tell him that we are working very well in respect of three different areas. Hon. members are aware, I believe, that the rule governing the acquisition of parks at the present time is that the province shall acquire the property free of encumbrance and turn it over to the federal government for development. Unfortunately due to a lack of foresight which is so easy to condemn, it would be very costly today for the government of Ontario to acquire a suitable area and turn it over to us. Nevertheless, even in the heavily populated and highly developed area of southern Ontario we are endeavouring to develop a park in co-operation with the province.

We have some 998 acres of national park in the province of Ontario. Had we been able to go back a hundred years we would, of course, have made other arrangements. There are two northern areas at which we are looking carefully now, but the government of Ontario is interested, if it is at all possible, in establishing a national park in the southern part of the province.

We are in some difficulty when it comes to assessing what the demand is likely to be 10 years or 20 years from now. If we fail to make some prediction even in our own minds, we feel we shall not be preparing adequately for the future. For this reason we are instituting a study of what Canadians are likely to be needing 10, 20 or 30 years from now in the field of recreation. This is something which is receiving study in other parts of the world, and it is about time we began to look into it here in Canada. Magnificent road systems have completely altered the type of people who are visiting our parks, and in many cases it is difficult to decide what kind of recreational facilities, what kind of outdoor services, should be provided for Canadians in what are primarily wilderness parks.

The need is certainly changing as compared with 30 or 40 years ago. The popularity of certain types of recreation such as skiing and the presence of magnificent ski areas in our western parks is placing a weight upon the service and raising questions to which, frankly, we do not have the answers at the present time. But we are undertaking the study to which I referred and hope to come up with a fairly accurate prediction to show where we are heading.

[Mr. Roxburgh.]

The committee went out to the western parks to interview people on the spot. There were protests from leaseholders to whom the department has said we cannot accept responsibility for maintaining the parks in the way we think the people of Canada want them maintained unless we clarify the position of private investment in these areas. After hearing the views of people within the parks, and of their organizations, the committee substantially confirmed the policy we had set out, that basically these parks should be maintained as wilderness areas with service arrangements under stricter control by the federal government in the operation of the leases.

We shall continue to endeavour to supply the services which Canadians want in respect of the outdoors. It will be a tremendous task, Mr. Chairman, because when one is operating an industry which is increasing at a compound rate of 15 per cent a year, problems are bound to arise. Moreover, organization is not made easier by the fact that this is a highly seasonal business, concentrated substantially within three or four months of the year. We shall continue to do our best, and I want to praise the work of our parks staff. I know what has been the response of those who use our parks today, because we get more correspondence from them than from all the others in connection with the activities of the department. Ninety eight per cent of those letters are the most laudatory and commendatory letters anyone could wish to read. About 2 per cent of them constitute complaints. They are legitimate complaints, too, and we check to find out how somebody in the service of the parks has slipped up. But in general we are beginning to believe we probably have as good a national parks service as any country in the world.

Now I should like to deal for a few moments with the subject of Indian affairs. I was asked to assume responsibility for the Indian affairs branch on January 1, 1966. I have said publicly that I did not ask the Prime Minister for this responsibility. It is a towering task. I have told the Indian people and Canadians in general that according to my assessment most ministers responsible for Indian affairs have been adjudged failures, and that after I have been on the job a little while I shall be adjudged a failure too.

• (11:50 a.m.)

This is a consideration which should be impressed upon the members of this house;

that is, if we act wisely, achieve the co-operation of the Indian people and expend our money in such a way that we encourage the Indian people to regain their pride so they will introduce themselves to the modern economy of this country, we will have begun to break the back of this problem in the next generation. Today, out of a total budget of about $100 million, we are spending $47 million on education. I believe most members of this house will agree with me when I say that the gold ore among the Indian people today exists among those who are under the age of 20. We are endeavouring to integrate our Indian people into the educational systems of the provinces as rapidly as we possibly can, so that when they go to school they will go with a section of the Canadian population of that age group instead of going with their own people. We have found remarkable improvement in the many cases where this policy has been adopted.

I should like to say to members of this house that in respect of Indian education and co-operation with the provinces we enjoy absolutely 100 per cent co-operation. I believe there is among the Canadian people today, as I sense there is among members of this house, a desire to do the decent thing for the Indian people. In doing the decent thing I have told the Indian people I will not accept, and I hope Canadians will not accept, a general condemnation of the white man for all the troubles of the Indian people today. I think so far this attitude I have adopted has struck a commendable note with those Indians whom we wish to take over the leadership of their people in Canada today.

We hear a great deal about integration and what will happen to them in the future. I do not know what will happen. I believe it would be premature for anyone to say that the Indian people will become totally integrated and lost as Indians in this country. I think it is premature to say this. There is the difficulty today that so many of the Indian people want to restore the glories of their people and return to their own administration within their own tribes and their own areas. At the same time there are others who say they must become modern and have jobs and high wages just like other Canadians. Then there are others who say "Go away and leave us alone".

Many people today condemn the red tape and intrusions by the government into the affairs of the Indian people. There are those who say "Don't go away and leave us: Remember the historic treaties, the indispensable lifeline we have in the commitments that were made in the historic past". So here we have a people who require help but who, in my view, require the right kind of help.

While I am asking and will continue to ask for money votes in respect of Indian affairs, I have stated to my Indian friends that if we misspend this money or waste it, we will do the problem far more harm than good. Today we are spending in the order of $16 million for welfare among the Indian people in Canada at a time when I feel we could reduce that amount by two thirds if we were doing the right things.

This is pretty much all I have to say about Indian affairs. We have a national Indian advisory board which I believe is representative of the various areas of Canada. We are consulting more and more with the members of this board. We are endeavouring to encourage them to develop the Indian lands, which total six million acres in this country. Some of these lands are extremely valuable. There are some still undeveloped Indian lands in Canada today of fantastic value. Some of these are within our cities. Under the provisions of the Indian Act today we are not permitted to force the Indians to release these lands for development purposes. We can, however, encourage them to do so, and we are doing this. In many instances the Indians themselves are taking a hand in the development of these areas. In some cases they are entering into contracts involving amounts as high as half a million dollars. They are receiving these large amounts in respect of development leases they have granted for the purpose of building houses and so on.

A difficulty exists in respect of the more remote reserves. There are reserves in Canada to which there is no access other than by air. Yet there are Indians in these places. We are of the opinion that as time goes on we may well have to offer these Indian people the opportunity to move from these ridiculously remote areas down to other areas where there is productive land.

I have endeavoured to be cautious in my work with the Indians because I had not greatly familiarized myself with the Indian problems, although I did know a great number of Indians in the province of British Columbia. I am not pessimistic about the progress we have made in the last year. Rather I am optimistic. I believe the much appreciated interest I have noted on the part

of individual members of parliament pertaining to the Indian people is a reflection of the Canadian wish to try to do something for them. It may be that our conscience is beginning to prick us. However, we have endeavoured to do something, although in some cases of past efforts have often left the Indians in a position which is no credit to Canada or Canadians.

I should now like to say a few words about the development of northern Canada. We are beginning to find that north of latitude 60 we probably have, in respect of those resources which lie under the earth, the richest areas of Canada. In recent years we have seen a number of mines developed in the Northwest Territories along latitude 62. As time goes on many of the developments will be extended farther north. There is a tremendous amount of new interest in the area by oil companies, mining companies, metal companies and exploration companies in general.

It is my view that this is an area about which we know very little in respect of individual places. I think it is an area which probably is unsurpassed anywhere on the face of the earth for those who want to seek out metal. I believe very little of it has been looked at as yet. Fortunately we have secured the attention of large investment groups in respect of transportation and exploration.

We have done a few things to encourage exploration. I have told the investment people frankly that we have put small bits of cheese in traps to encourage them to go in there. The exploration subsidy program which I announced a year ago in my view is one of the finest things we have ever done, because people are interested all over the country. In the few instances where we have made very modest allowances of $20,000 or $30,000, finds have been made which are extremely important and which have a good chance of becoming mines in the future. In addition we have the enthusiasm of the transportation companies. I believe this north country of ours will go through a revolution by virtue of the introduction of the jumbo airplane. I believe transportation by plane will become sufficiently economical to provide food and transportation to those areas in such a way that this northland of ours will be entirely changed. As a matter of fact the officials of one or two of the mines which are located there have told me they are in the process of reviewing their entire operation in the light of certain offers which have been made to them by air transport companies.

[Mr. Laing.]

I should like to pay a compliment to the air lines which are operating in this area. I do not think many members of this house realize that since six months ago two companies which service the Arctic area have been serviced by jet aircraft. Daily service is changing the situation in the north.

• (12 noon)

When I accepted responsibility in respect of the north I called together the heads of mining companies, and we met for a full day. At the end of the meeting I said "Gentlemen, tell me what the north needs." They looked at each other and finally one man said "I'll tell you what it needs. It needs television". He went on to say that if we could give them hockey night in Canada even three days late the men would be happy to stay there twice as long.

I think probably there is much to be said for that opinion. At the present time in cooperation with the C.B.C. we have a frontier package, so-called, which gives them four hours of television per day including news, some of which is 24 hours late, and this is a very satisfactory development. Yellowknife is one of the areas getting this service, and it is very well received there. We have been informed by the C.B.C. that they will have 27 to 40 of these packages ready for us in about a year. This will bring a tremendous change in the north, because the biggest difficulty in the area is isolation. If the problems relating to isolation can be solved many other difficulties will disappear, and I am sure my predecessors in office will agree that these people have not been properly served by radio alone. They want to see what is going on in the outside world as well as hear about it. I am sure my two predecessors in office will agree that in some of these areas radio reception has never been noted for its efficiency.

I have outlined some of the aspects of the north. There is no more optimistic or promising an area in this nation today than our north. The finds being made there are of very great order indeed. I can think of one example. There was to be a small clean out operation of a silver mine about three years ago. I was told that last month it had become the biggest silver producer in Canada. We all know, of course, about the historical mine at Pine Point. I am not giving any tips at this time, because this is a matter of record, and the annual report presented at the last annual meeting of the company showed $32 million net earnings from gross sales of $42 million. With that kind of thing taking place I

am sure hon. members can visualize the type of riches that lie in that northern country of ours.

We will continue to be as optimistic as possible because we believe that the old time suggestion that we should leave the north in cold storage until we consume everything we produce down south and then go north is not a sound policy for this country. If we are going to built Canada in any depth at all it is imperative that we look now at all of its regions. The challenges in that particular part of Canada are such that if, Canadians do not respond with some of the spirit of the frontier, this will not be a good sign for Canada. We are now finding that young Canadians are showing more interest than has been apparent for many years in going to northern Canada to participate in the magnificent development now taking place.

Mr. Chairman, I thank the hon. members for listening to this very short summary of the position of the department, and should questions arise I shall endeavour to answer them.

Mr. Dinsdale: Mr. Chairman, I think hon. members will agree that it was good to have a statement from the minister helping us to pinpoint some of the problems and progress being made in this important Department of Indian Affairs and Northern Development. The minister has been mainly concerned with outlining the progress that has been made through the various activities of his department. Let me assure him that hon. members on this side of the house will fill in the gaps by referring to some of the problems that have developed during the past several years in the various areas of responsibility of the minister's department.

Let me begin by indicating that the old department of northern affairs and national resources was one of the first to come under the scrutiny of the royal commission on government organization, popularly known as the Glassco commission. I imagine that during the past few years the experts have been busily engaged in assessing the functions of the department, and that before too long we will have a report on the operations of those officials and experts who are endeavouring to set up this department to promote greater efficiency having regard to the guide lines laid down by the Glassco report.

The minister made some earlier statements on this subject, indicating that while during the current year the estimates would not follow the pattern recommended by the Glassco report, he hoped that by next year we would have some evidence of improvement and increased efficiency. As a result we are faced with a discussion of the estimates pretty well on the basis of the traditional pattern. To assist in an orderly discussion we will endeavour to follow the outline laid down by the minister.

In the book of estimates the Indian affairs branch is mentioned first. I think that is the proper place for this important activity. It has been said that the first shall be last and the last shall be first, so perhaps I should leave my comments regarding Indian affairs to the conclusion of my remarks this morning.

A great deal of information on the operations of the department was obtained by hon. members on all sides of the house as a result of committee examination last year into three separate areas. The estimates of the department were very thoroughly considered by the members in committee. Many recommendations were made and many problems were discussed. No doubt the result will be a shortening of the length of time required to consider the estimates today. Several members of the committee on parks spent several days visiting western parks where very real problems have been precipitated by the situation outlined this morning by the minister.

Some members toured the north, and I am sure some of those pilgrims who were privileged to travel north of the 60th parallel for the first time during a period of two weeks will have many points to raise which came to their attention during that time. In addition to the actual confrontation between members of the committee and residents of Banff and Jasper we had many representations from interested groups. Out of these will eventually come a comprehensive policy of park development in Canada, we trust.

• (12:10 p.m.)

Then of course there is our Indian affairs committee, which has planned an extensive itinerary of visits to reservations from east to west but still has to get off the ground in this respect. I am appreciative of the operational difficulties because of the crowded calendar during centennial year, but I hope this committee will be able to continue its proposed itinerary during the current year.

Merely making reference to the multiplicity of the activities of these various committees indicates that we have had a busy year; some of us feel, too busy. I should like to suggest

—I have suggested it before—that we might better approach this matter of committee consideration of the functions of the department if we could combine and co-ordinate the committee on Indian affairs and that on northern affairs, which in many respects have the same personnel and are always running into conflict because of the obvious difficulties that arise. I strongly recommend that the government give consideration to bringing together these two committees. The committee system recently has expanded its operations and as a result we are treading on frontier territory. I think every hon. member who has faced this difficulty will agree that the time has come for co-ordination and co-operation between these committees.

I should now like to refer to some of the specific points dealt with by the minister. He referred to the problems that have arisen in Canada and indeed in our neighbour to the south, the United States, with reference to the demands on our park facilities. We have been talking about this for many years now. We had a conference away back in 1961, six years ago—it seems a long time ago—which was dedicated to a comprehensive consideration of how we should best develop, preserve and conserve our renewable resources.

I have made many speeches on this subject in the past and it is not necessary to be repetitive today. However, I should like to deal with one or two specific problems. We all recognize, or at least we give lip service to the fact, that we must expand our national parks system. The only developments in this regard in the past six or seven years have been the Terra Nova national park in Newfoundland and the second park in Nova Scotia which has that unpronounceable name, Kejimkujik.

Mr. McCleave: Mr. Chairman, I have to rise on a point of order. These are fairly simple maritime names. There is Kejimkujik in Nova Scotia, and Kouchibouguac in New Brunswick. I think they should be pronounced correctly.

Mr. Bell (Saint John-Albert): What about the *Hansard* reporter?

Mr. Dinsdale: Mr. Chairman, I thank the hon. member for Halifax for that lesson in pronunciation. These parks were developed back in the late 1950's and early 1960's, and the crisis grows apace. We need action now, not in the future. Unfortunately there has been a delay in implementing the recommendations that came out of the resources for tomorrow conference and those of the Audubon society which is active in these matters, which suggested that as one of our centennial projects we might embark upon an emergency program of park development. Obviously that has not materialized, because we are now halfway through our centennial year.

The matter was referred to the federal-provincial conference on national parks that was set up back in 1962 to deal precisely with this problem. They are still in deliberation and meet from time to time, but we have had no concrete action therefrom. We all agree that there is a crisis in the use and availability of land in Canada for park purposes, not only for national park purposes but recreational parks. As far back as 1962 and 1963 a conference was set up within the department which was designed to bring the provincial governments, who have responsibility in these matters, into consultation with the federal government so there could be some positive, concrete action to resolve the difficulty. They are still discussing this question.

I should like to pay tribute to the federal-provincial parks association, which was recommended during the course of the resources for tomorrow conference. It is a voluntary group made up of businessmen, recreational authorities and conservation authorities who act without any cost whatsoever to advise the government park policy. We had the privilege of listening to the president of the association, Mr. Frame, and its executive secretary, Mr. Gavin Henderson. They came before the parliamentary committee and made some very sensible recommendations as to how the current, continuing crisis in respect of the use of our parks might be resolved. High on their list of priorities was a program to develop recreational park facilities particularly near the large urban centres of Canada.

I do not have to go into the theory of this matter because it is now so well known to the public of Canada, and not only to the experts. We know about the pressures created by leisure time, the increase in mobility and the population explosion. We talk about these things ad infinitum; we know all about them. All we need now is action by the government. We know the problem, and for the past several years we on this side of the house have been looking for positive announcements and action from the government, which after all has executive responsibility in these matters. We have been hoping that something might

be done about the problem other than talking about it.

We are fully aware of the situation in our national parks. We have never had a uniform policy with regard to the development and management of the national parks across the country. The approach to the parks in the maritimes is somewhat different from the approach in the western provinces. This matter has historical overtones, of course. We were able to establish national parks in the western provinces when the resources were still under the control of the federal government prior to 1930, when the control of these resources was transferred back to the provinces. Therefore we have comparatively large national park facilities in the western provinces.

• (12:20 p.m.)

On the other hand there are no national parks in the province of Quebec; therefore they do not have any of the current problems that those of us from western Canada constantly face in the administration of national parks. There are very few national parks in the province of Ontario. In fact they are not really national parks, they are small areas which in no way carry out the purpose and function of the National Parks Act.

Perhaps this is why such newspapers as the *Globe and Mail* can intone piously and advise us concerning the peculiar problems in our western provinces, as it did in an editorial on Thursday, March 23 of this year, entitled "A Heritage Preserved". This editorial takes a very dim view of the viewpoint expressed by the residents of Banff and Jasper. I think it would be much better for a Toronto newspaper to encourage the government of Ontario to make land available so we could expand our national park system in this province than to turn its jaundiced eye westward and advise westerners on how they might deal with their peculiar problems.

I will not go into the problem of the western parks in any detail. We will have more discussion in the house on that matter in the days that lie ahead. However, I would like to point out that during the course of the committee hearings at both Banff and Jasper we were impressed by the willingness and in fact the enthusiasm of the residents of those two parks to support the principles, the precepts and the policy of the wise management and multiple use of our renewable resources which have emerged in Canada during the past decade. They accept these principles. What they criticize and object to is the arbitrary manner in which the minister and the government are trying, as the old preacher says to "unscrew the unscrutable", unravel problems that have been created by government decrees over the years.

Of course I am referring specifically to the arbitrary manner of dealing with the leasehold problem. In the western parks, because of the peculiar circumstances which I have outlined, when they were set up and when the federal government had control over the resources, comparatively large tracts of land were preserved for this purpose. Because the population was isolated and limited, settlement in the parks was encouraged, particularly in the provinces of Saskatchewan and Manitoba.

So far as Banff is concerned, it was a townsite before it was a park. It is a railroading town, as is Jasper, and without drawing any diagrams it is obvious that the fact that these towns are located right in the middle of the national park will create problems. The problems will have to be dealt with, and they will be resolved over the years.

However, I think the government is pursuing a very unwise policy in trying to arbitrarily superimpose an approach to leasehold privileges which these people have had over the years and which have been established by earlier government actions. It seems to be the intention of the government to arbitrarily cancel these leaseholds, if I understand correctly the report which came out of the proceedings of the committee which dealt with national park problems.

It is for this reason that the members of the Conservative party serving on that committee publicly dissociated themselves from the report. We will not go along with this bureaucratic approach to rights which have been established over the years by the government of Canada itself. We will not go along with the policy which ignores the peculiar problems of the parks in western Canada which have been created as a result of the historical circumstances I have outlined. Perhaps the reason the government members have so enthusiastically supported these arbitrary recommendations is that they come from other parts of Canada which are not faced with these difficulties. Ontario members have no problems because they have no national parks; neither do the Quebec members. This also applies to maritime members because right from the beginning their provinces have pretty well operated within the framework of the National Parks Act. So I make a plea here today.

Mr. Laing: Would the hon. member permit a question? Is the hon. member suggesting now that he supports perpetual leases in the parks? He has criticized me for acting arbitrarily in respect of these leases, but I would like him to explain to us why he introduced an order in council in 1959 which ended perpetual leases and made it obligatory on the minister to issue 42-year leases only. This is precisely what we are doing. Our policy is in accordance with the order in council of 1959 introduced by the then minister.

Mr. Lambert: The minister is not serious when he is saying that.

Mr. Laing: I am entirely serious, and the bluster of my hon. friend does not detract from my seriousness.

Mr. Lambert: There is no one in the parks who believes the minister.

Mr. Laing: There are a great many people in the parks who believe me, and when it comes to support for our policies with regard to national parks, my policy has more support than the ideas of my hon. friend, who would boil everything down to a dollar bill.

Mr. Lambert: That is a lot of nonsense.

Mr. Laing: We will see about that some day, but I would like the hon. member for Brandon-Souris to answer my question. Is he or is he not in support of perpetual leases?

Mr. Dinsdale: I am very pleased that the minister has pinpointed the crux of the problem, because I did not intend to deal with it, nor is there time today. This is a statement which he has made repeatedly, and it is quite contrary to the facts.

With reference to the further exchange across the floor of the house, it is true that the minister has strong support for his policies from the Liberal members on the committee who do not understand the peculiar problems in western Canada. But I think he must be looking at the map with blinkers if he thinks he has popular support in western Canada for what he is endeavouring to do.

With reference to the specific question put to me by the minister, I was not minister until 1960. The minister claimed that the previous administration arbitrarily cancelled perpetual leases. All it did was to declare a moratorium on any further leaseholds in the national parks, which was a sensible policy because obviously the parks were becoming overexploited. In some instances this was used to cancel out the perpetuity feature when some of the existing leases came up for renewal.

We will speak about this in greater detail later on. When this came to my attention I, as minister, immediately issued an order in council to avoid this difficulty and at the same time deal with the necessity for closer control, reflecting the attitudes which emerged out of the resources for tomorrow conference in respect of wise management of these parks. This was a lease for 42 years, renewal for 21.

• (12:30 p.m.)

Mr. Laing: Excuse me, but in the first instance it was 42 years. Then it was changed to 42 plus 21.

Mr. Dinsdale: Exactly; that is what I am saying. The problem came to my attention. When I was minister we changed the policy so there would be no mistake and said 42 plus 21, after which the situation would be reviewed. I think this was a more successful approach than the minister's confiscatory policy at the moment. We introduced policies that would control the future use and development of national parks and at the same time preserve the rights of the residents of Banff and Jasper who, after all, are living in permanent townsites.

We asked in the committee that this matter be referred to the courts by the government. The request was refused, and as a result the residents themselves are taking the matter to court at their own expense. This action indicates that the government has been high-handed, arbitrary and bureaucratic in these matters. The residents of the park are going to be represented by a Liberal lawyer I guess I should give him a large "L". He is Mr. George Steer of Edmonton, who as a member of the Liberal party has uttered some strong words against the un-Liberal tendencies represented by this particular action. I merely wanted to refer to that so we may remove the misunderstandings that have been created by statements such as the minister made in asking me a question a moment ago. I am glad he gave me an opportunity to clarify the record.

Mr. Laing: No, I should like to clarify the record by saying the hon. member introduced a measure by order in council at one time and found the pressure so great he retreated. We have come to the point now, with the increase in use of the parks, that I cannot afford to retreat. If he were in my position he could not either.

Mr. Dinsdale: Let me repeat, because apparently the minister did not hear me; I was

not the minister in 1959. Actually it was 1958 when the moratorium was declared on future leaseholds in western national parks. My responsibility began in the fall of 1960. We came to the conclusion which resulted in the action to which I have just referred. But in addition there were comprehensive plans to develop national parks for the future use of all Canadians; town planning; town managers; regional officers, and the zoning principle was established to prevent any further intrusion on the wilderness areas of these beautiful mountain parks. This applies also to the prairie parts.

Park planners were brought in to thoroughly examine each of the western parks beginning with Banff and Jasper, then going on to Prince Albert and Riding Mountain so a master plan could be developed to bring park policy into conformity with the needs that are so obvious in these days. A program of new national park development should have gone ahead on a crisis basis. As I have already noted, there have been no further developments in this regard. Certainly a recreational park program should have been launched long before this by the federal government. I hear announcements from time to time that there will be such a program, but the longer the delay the more critical the problem becomes. I merely take the opportunity of saying at this time that I hope the government will come forward with something positive in the way of a program rather than repeated propaganda statements that something is just around the corner.

I should like to refer in passing to the historic parks. A program of historic park development was launched which was supposed to tie in with centennial year. There has not been too much activity in this regard in recent years. One of the two major examples is the fortress of Louisbourg, the restoration of which is proceeding. This is a substantial historic site restoration involving originally some $9 million. I do not know what the figure is now. It is designed as a living museum of Canadian history. I hope it is the forerunner of similar developments in other parts of Canada. Fort Garry in Winnipeg is designed in the same direction. I do not know where its development stands. Dawson city in the Yukon Territory was declared a historic site in 1961, and that program was bitterly attacked by my friends in the Liberal party. They tried to destroy the whole program of historic site restoration for unadulterated political reasons. There were not many votes in the Yukon Territory; therefore they thought they could attack that important part of our historic site restoration program.

Mr. Laing: We did pay the bills.

Mr. Dinsdale: The minister is talking about the bills. About half a million dollars was spent in the restoration of the old auditorium theatre. Compare that to the expenditure that has been made on Expo this year, about which no one has complained and which has been justified in terms of the tourist dollars it is bringing into this country. The same principle operates in connection with all these things that are developed by successive governments of Canada. I point out that already the restoration of Dawson city has more than repaid any government expenditure through the influx of tourists.

This year Alaska is celebrating its 50th anniversary and is following Canada's example, stealing our thunder. They are importing the festival and spending $6 million in their effort this year.

The Chairman: Order. I must advise the hon. member the time allotted to him has expired.

Some hon. Members: Carry on.

The Chairman: Does the hon. member wish to continue? Does the committee give unanimous consent for him to continue?

Some hon. Members: Agreed.

Mr. Dinsdale: Thank you, Mr. Chairman and members, for your kind consideration.

I should like to deal with one or two specific problems and my colleagues can deal with some of the details. Perhaps we can deal with them when we come to the items. The wildlife division within the department has done a very creditable job within recent years. I was impressed with the publication of a book that has just been made available to members and people interested in the subject right across Canada. It outlines the national policy for wildlife, and on page 4 of the book I find this:

> A national policy for wildlife was tabled in the House of Commons on April 6, 1966. The announcement culminated a process of discussion among responsible ministers, conservationists, sportsmen, wildlife officials and others, dating back many years but highlighted by the resources for tomorrow conference in 1961.

I think the wildlife branch is one of the most efficient parts of the department. I should like to commend those who have been

responsible for bringing forward such a positive and forward looking national wildlife policy including the duck stamp program and the pothole preservation program. It seems so simple on the surface, yet it has already demonstrated it is playing a major role in preserving our migratory water fowl. I should like to pay tribute to the Audubon people and the National Wildlife Federation who have done an amazing job with limited funds in educating the people of Canada along the lines of conservationist philosophy. I should like to invite all hon. members of the house to become members of the association. By paying an annual fee of $5 or $6, as I recall it, they can become members and lend their support. This is the sort of assistance which makes it possible for these groups to carry on their work.

• (12:40 p.m.)

Then there are the private conservationists in the field, such as the Jack Miner sanctuary which inspired the annual celebration of Canada's wildlife week. Another conservationist and naturalist who is becoming increasingly well known throughout Canada and the world is Mr. Al Oeming, of the Edmonton game farm. I suppose Mr. Oeming is one of the world's outstanding naturalists. Actually he is a practical naturalist because he is conducting an experimental program demonstrating that amazing things can be done, even in a rigorous climate such as that which exists in and around the city of Edmonton, in the preservation of many of our wildlife species.

In connection with the current program under way to assist in the preservation of the whooping crane in a domestic habitat, I should like to ask the minister whether any of our Canadian wildlife authorities are involved in this experiment. A question was asked about this in the house the other day, I believe by the hon. member for Edmonton-Strathcona, but unfortunately the minister was not able to give a reply. However, I hope Canadian naturalists of the calibre of Mr. Oeming are also involved in preserving the whooping crane. It is not quite as Canadian as the Canada goose, but it does spend a good part of the season in Wood Buffalo national park. I hope we will give Canadians an opportunity to participate in this interesting conservation program.

I am going to say a few words about Indian affairs. As the minister indicated, the past record should be forgotten because it is not a very happy one. It is presented for all of us to see if we visit the Indian pavilion at Expo, which is having a beneficial shock effect on millions of people who are visiting this tremendous exposition. However, recently I think we have more cause to be proud of ourselves; I certainly agree with the minister in this respect. I think this began in 1960 when we finally recognized that Indians were citizens and gave them the vote.

I know it is fine to be altruistic and say that the interest that has been aroused in the problems of our first Canadians has intensified in this house during recent years. I can remember, and I am sure the hon. member for Kootenay West can remember, when there was very little discussion of Indian affairs in this chamber. Now there is considerable interest. I think this is partly because Indian citizens are now voting Canadians, and we have to be concerned about their welfare whether we like it or not.

The major breakthrough has been in the field of education. I think Hon. Ellen Fairclough during her ministry established the precedents in this regard which are now bearing fruit. She was one of the first ministers to visit almost every reservation across Canada, and her program of integrating Indian children into the regular community schools has had wonderfully beneficial effects.

I should like to inform hon. members—I am sure the hon. member for Portage-Neepawa would do so were he here—that there will be an excellent Indian high school choir singing at Expo in July, though I do not know the specific dates. I think this choir is the only one of its kind in Canada, and consists of high school youngsters from the Portage la Prairie school. I have heard them sing and they do an excellent job. I would say they would compare favourably with choirs of many other ethnic groups in Canada, and I trust they too will have an opportunity to perform on parliament hill.

I do not want to trespass further on the time of the committee at this stage other than to say, in summing up these remarks, that as in the case with parks, where up to the present time only pronouncements have been made, the same might be said about northern affairs generally. I heartily agree with the minister of northern development when he talks about the tremendous upsurge in the north; the Registrar General nodded across to me and said "You agree with that, of course". Certainly I agree with it, because it was a policy and a program that was born in spite of the resistance of our friends of the Liberal party who voted against the Pine Point railway and

were generally critical of what they derisively called the vision of northern development.

Now of course, Mr. Chairman, everyone is jumping on the bandwagon. Though we heartily agree with it, the trouble is that there have been no new initiatives in recent years. I know hon. members opposite talk about road programs, but this is a regurgitation of the old program. They talk about educational programs. The educational program was set up so that by 1967 every young Canadian living north of 60 would have the opportunity to obtain an education. This program was laid down years ago. I do not know whether the target has been achieved in 1967.

I also point out that the mines which are now going into production are the result of programs and policies which are coming to an end. We must have new initiatives, a new vision—if I might use that word that was derided so vigorously, even violently and viciously, by my hon. friends of the Liberal party—otherwise, Mr. Chairman, we will have a vacuum. Some of my colleagues will say more in this respect during the course of the debate today.

Centennial year and Expo are occupying the minds of Canadians everywhere. We are all enthusiastically supporting these projects. Let us get some positive programs from the government rather than propaganda statements, so the vacuum that will inevitably be created after Expo and the centennial celebrations are over will be filled by new upsurge of development north of 60.

Mr. Southam: Mr. Chairman, I welcome this opportunity to make a few remarks in this debate on the estimates of the Department of Indian Affairs and Northern Development. I want to thank the minister for his comprehensive review of some of the problems facing his department. I should also like to compliment the former minister of northern affairs, the hon. member for Brandon-Souris, who has just taken his seat and who has also given a more than comprehensive review of some of the problems that we must face up to.

I have had the honour of being a member of the committee on Indian affairs and northern development and its predecessor for several years, and I agree with the minister that his is a very important department. It also has its problems. It is a department that creates a certain amount of controversy, particularly over its activities relating to Indian affairs. The department has been creating problems both for committees and for parliament over the years, and as the minister says will continue to do so for several generations yet.

• (12:50 p.m.)

Not many in Canada are familiar with the great northern part of this country. I, with other members of the committee, was fortunate last year in having the privilege of flying into the Canadian northland and being able to survey about 40 per cent of Canada's land mass, and in being able to have a first hand look at the problems facing the citizens of the area—and I am thinking of the Eskimos, Indians and whites. The members of the committee agreed generally about what needed to be done. What we saw was a revelation, and ever since I and my colleagues on the committee have discussed generally the developments that should take place in the north.

After all, Canada is a country of pioneers; we still have the pioneering spirit, and the last frontier of this country is in the north. I was glad the minister admitted the importance of the roads to resources and the communications that the hon. member for Brandon-Souris referred to. Our party between 1957 and 1962 developed the roads to resources. The minister also referred to the Pine Point railway and the development at the end of that line that we had the privilege of seeing last year.

At the beginning of his remarks the minister referred to the national parks policy. As members of the committee know, I have been directly and intimately interested in this policy because my riding of Moose Mountain is in the centre of one of the most progressive and highly patronized provincial parks of Saskatchewan. It has been said that in Saskatchewan we live by bread alone, though in recent years with the development of our oil and potash resources the economy of our province has been revitalized. Another national park would give our people added incentive and another boost up the economic ladder.

I was glad to hear the minister say that the committee in that province has co-operated well with the national parks officials of Ottawa in the development of a second national park for our province. I do not know what the criteria will be for the establishment of the park, but for a long time I have advocated that the Moose Mountain area be considered seriously, for several reasons. Basically the area has become popular because of the

provincial park, and a second reason for establishing a national park there is that such a park would be close to the United States and would have many visitors from there. The people of the southern part of the province and those in the adjacent areas of Montana, Minnesota and North Dakota would have access to the water and woods in our area. The national park at Waskesiu is well patronized, yet I do not think we are selfish in asking the federal government to develop a second national park for our area. After all, Alberta has five national parks. When the government announced that it planned to create a second national park in my province, or in our area of the country, I immediately rose in the house and asked that my area of Saskatchewan be considered for the reasons I have outlined.

I hope this park will not take too long to develop. It will enhance the economy of our great province. I realize that the government faces many problems, but I hope my remarks will be considered.

Another problem facing our government is how to bring about developments that will help establish our Indian people in our society so they may live happily and progress with the rest of us in this great land. The problems have been magnified during recent years because of the rapid increase in our standard of living. When Indians see the living standards of the rest of us rising it is quite natural for them to be discontented. We must do everything possible to develop Indian housing facilities and education and to assist them to establish themselves in various walks of life according to their aptitudes. The vocational and technical training program which was developed by the former minister of labour went a long way toward giving these people an opportunity to enhance their education in vocational schools so they might take their place in our society. As the minister says, it will take several generations to solve the problems of our Indians, but with the co-operation of members of parliament and Indian leaders the problem can ultimately be resolved.

A similar problem exists among the Eskimos of the north, at whom our parliamentary committee took a first hand look. The Eskimos themselves are co-operating well in adapting themselves to our educational and economic system, but more effort will be needed to solve their problems, and the northern affairs administration will have to make that effort.

[Mr. Southam.]

I am glad that the capital of the Northwest Territories has finally been established. That will create new incentives for the people of the north to co-operate with the federal government in the development of their area. Health services and communications are important for those people. The committee listened at great length to witnesses appearing before it. What it heard emphasized the need for further educational facilities in the primary, secondary and adult field for that part of the country. Also needed are greater radio and television communication facilities. I was pleased to hear the minister announce this morning that there is to be what is known as a package deal for television to provide communication with the rest of the world for the people of the north. If the people up there know what is going on in the rest of the world they will have an incentive to better their own standards of living.

I should have liked to speak at greater length, but I must board an aircraft this afternoon and fly away to perform a pleasant duty in my area. I am to present a centenary certificate to a grand old lady, who is 103 years of age. I am glad to have the opportunity of giving her the certificate. I look forward to reading what other members of the committee may contribute in the debate that will take place this afternoon.

Mr. Herridge: Would the hon. member kindly give the old lady the congratulations of all members of the house.

Some hon. Members: Hear, hear.

The Chairman: Order, please. 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. Indian Affairs and Northern Development.

Mr. Barnett: Mr. Chairman, in introducing his estimates the minister indicated that he felt the portfolio he holds to be an exciting and challenging one. With this appraisal I am sure any hon. member who has an idea of the extent of the hon. gentleman's responsibilities will agree. It could be argued that any one of

his major areas of responsibility could in itself provide a stimulating enough challenge and one to which the minister might well devote his whole time.

I got the impression from minister's remarks that when he was asked to become superintendent general of Indian affairs he experienced a sinking feeling. This I can well understand because the decisions to be taken as superintendent general touch deeply and intimately the lives of more than 200,000 residents of this country. His position is in many ways unique and without parallel in Canada.

Indeed, his responsibilities in this area might be compared in certain respects, though not all, with those undertaken in trying to solve the problem of the Arab refugees in the Gaza strip, and I say this having listened to some of the discussions which have taken place here in recent days. I will not press this comparison too far, but one might argue that there is a certain relationship inasmuch as the lives of individual human beings are directly involved in each case.

I realize one cannot hope in a single effort to deal in depth with all the matters which were raised by the minister in his speech to the committee. So far as the operations of the Indian affairs branch are concerned I think it would be advisable to discuss them under item 5 where we can go into the subject more thoroughly. I hope to do so if I find some time on my hands.

• (2:40 p.m.)

The minister spent the major portion of his remarks dealing with national parks and the ever-increasing need for wilderness and recreational areas. At the outset I should like to say that many members of this house have been devoting a considerable amount of their time and attention to the whole question of parks. To the best of my knowledge the members of the committee on northern affairs and national resources, and I think probably all hon. members who have given the matter any thought at all, will agree with the minister when he says that as we look ahead we recognize that with our growing population and with the growing number of visitors to our country there is a need for various forms of recreational areas and that this need will increase by leaps and bounds. When the minister suggested that we should now be looking forward 10, 20 or 30 years into the future in respect of these needs, I think he was perhaps being quite conservative in that connection. I would be inclined to say that we should be looking forward 100 or 200 years while we still have, as we all know, great areas of open space in our country.

Small though our population is we recognize that with the encroachments which can be made through the use of modern technology many inroads are being made at a terrific pace into what until quite recently was completely virgin wilderness. I think of this when I have the opportunity to visit my community where I see what has happened during the last 20 or 25 years to the whole area of Vancouver Island which is part of the constituency of Comox-Alberni. When I see the vast inroads that have been made by the forestry and pulp and paper industry, by means of the modern techniques at their disposal, into an area which until a few years ago was completely virgin territory I appreciate what has happened.

In a discussion we had in the house yesterday I believe reference was made by the hon. member for the Northwest Territories to the fact that one could see the results of seismic surveys stretching through great areas of that part of Canada. This again is visible evidence of how quickly and vastly the inroads of man can alter the wilderness in a very short time.

I believe one of the difficulties at the present time with regard to parks and wilderness areas is that we use the word "park" to encompass such a wide variety of areas. In the term we include everything from a small plot with maybe two or three trees on it in the middle of a town or city to such areas as the great Rocky Mountain wilderness park or Wood Buffalo park in the northern area of Alberta.

I must say I was pleased that when the committee on northern affairs and national resources presented its report to this house at the last session it laid emphasis on the need for recognition that the national parks system is only a segment of the total requirement for recreational and park areas in this country. I think this is a point of view which the minister has enunciated a good many times. I am glad that increasingly reference is being made at the various levels of government to the fact that it is recognized that there must be a joint effort on the part of all levels of government to meet the future recreational needs of the people of Canada and their visitors.

On the question of the desirability of acquiring new national parks in various parts of the country I should like to say that I share completely the views the minister has expressed today and on many other occasions. With particular reference to the province

from which I come I must say I share his regret that the government of British Columbia has not yet seen fit to take a positive position in respect of participation or even to ask that the federal government participate in the development of one or more great national parks in the coastal area of our province.

I should like to mention today, as I have on one or two previous occasions, that I believe one area which in the future might be a great natural wilderness park is the Mount Waddington area on the coast of British Columbia. This virtually untapped and undeveloped area is one of the places where we should now be thinking of creating a great national park which in time to come will serve to relieve the ever-increasing pressure being placed on the Rocky Mountain national parks.

I share the minister's pleasure that the officials of his department as well as those of the provincial government are currently looking at an area on the western coast of Vancouver Island which happens to be in my constituency. I have suggested that I feel there is a potential there for a national park which as an international attraction could outrival Banff and Jasper. I have also made clear that in my view when we talk about a west coast marine park on Vancouver Island we are not talking about a little postage stamp type of park somewhere on the fringes of the Long Beach area. As the investigation proceeds and as reports are made to the federal government and to the government of the province I hope there will be a growing recognition that in this area there should be put together all the necessary elements for a west coast marine park of major proportions. Such a park could very well become a major park in the beautiful alpine mountain area of Vancouver Island. An area of this sort carefully segregated from the conflicting resource claims of mining or forestry interests could be something which, as the minister said, our children, our grandchildren and their descendants could treasure for all time If steps are not taken quickly the possibility of this ever happening will be greatly reduced.

I hope all concerned will display the necessary vision and tolerance to work together for the good of the whole country so that this kind of area can properly come within the terms of the national parks trust. Many of the residents of Vancouver Island are becoming increasingly aware of the distinctions between a national parks trust and the manner in which other parks are held in Canada. I need only mention Buttle Lake in Strathcona provincial park on Vancouver Island in order to make my point to anyone who is acquainted with the geography of the coastal region of British Columbia.

• (2:50 p.m.)

It was a matter of considerable regret to me that the report of the northern affairs committee which was presented to the house toward the end of the last session after a visit by the committee to Banff and Jasper did not come up for discussion in the house. This is an unfortunate situation because in my view the members of that committee spent a lot of time and energy giving careful consideration to the whole range of subject matters placed before them during the hearings in Banff and Jasper. Believe me, the matters placed before the committee in the various briefs presented covered the whole range of subjects that could be dealt with in relation to parks. We heard from people who conceive of a park as a completely wilderness area left in its virgin state, almost untouched or visited by man. We heard from people who view a national park simply as a money-making tourist attraction and we heard from those who took a view somewhere in between.

We also had an opportunity of hearing and discussing the views of various officials of the parks branch regarding policies being implemented for the administration and development of these parks. In respect of the development plan for Banff and Jasper, as it has been conceived, and the zoning of these major Rocky Mountain parks into wilderness areas and recreational areas with visitor service centres, I feel this is an approach about which there can be very little difference of opinion so far as the majority of Canadian people are concerned. This approach, as I understand it, is designed to preserve the basic ecology of the parks and at the same time to provide an opportunity for those who in ever-increasing numbers wish to visit them and enjoy their natural splendor. That recognition has been given because of the size and location of the parks, and there is a need within their boundaries for visitors' centres in order that people can find overnight accommodation, be it camping areas, motels or hotels.

The report of the committee to the house, which was never discussed but which we now have an opportunity to discuss, is in agreement with this point. The matters placed before the committee that caused the most controversy, certainly those that caused the most controversy in Banff and Jasper, have

already been touched upon this morning by the hon. member for Brandon-Souris and the minister in his question to that hon. member. Let me say immediately that I am not particularly concerned at this time about who did what and when so far as the present and previous administrations are concerned. What we should attempt to do at this time is take a fair and square look at the present situation and then move on to determine what can and should be done in the future.

As a member of that committee I listened to the briefs presented and, as members of the committee will know, when we got back to Ottawa more meetings were arranged in order to provide an opportunity to hear from the minister and certain of his officials in relation to what had been presented by the residents of Banff and Jasper.

After those meetings, when the committee was approaching the time of drafting a report and not until then, having heard what I feel was a full range of expression of views on this whole subject our chairman suggested that we ought to put down in writing some proposals as to what might be contained in the report. Following that suggestion I attempted to do just that. It was obvious from our discussions that there were certain limited areas of differences of opinion, and the proposals that I considered for the consideration of the committee did not touch upon those subject matters in respect of which I felt there was a consensus. I simply tried to work out, to the best of my ability from the facts as I had heard them, some proposals regarding what undoubtedly are very difficult and complicated questions.

At this time I should like to take the opportunity of putting before this committee the proposals I submitted to the other committee. They did not meet with the general approval of that committee and therefore are not part of the committee's report. I shall present them pretty much in the form in which I placed them before that committee. I intend to do so in order that anyone who wants to take the trouble of reading them in the context of the committee's report will understand why I have dealt with these particular topics. These are the proposals I presented:

The committee recognizes the townsites of Banff and Jasper are, in certain respects, anomalies within the national parks system. No like developments should be allowed to take place in the future, either in the Rocky Mountain parks or elsewhere.

The committee suggests their existence as permanent communities be accepted; that given the size of the parks within which they have developed, the fact they are on the main trans-Canada transportation arteries, and their distance from other centres of population, these communities are and can continue to be an asset rather than a liability to the parks.

The committee approves the general ground rules which have been put into effect to limit their size both as to geographic area and population, and commends the department for its attempts to inaugurate town planning and redevelopment.

The committee suggests that parliament and the government cannot ignore the history of these communities. Their existence in their present form is largely the result of actions taken by previous parliaments and governments, both before and after the establishment of Banff and Jasper parks.

While current and future residential and commercial leasing policies may properly be regarded as matters of administrative responsibility, subject only to normal parliamentary scrutiny and debate, your committee is concerned that no injustice be done residents established in the parks under terms sanctioned by previous parliaments. This concern has reference in particular to the so-called perpetual leases. Your committee is of the view that, without prejudice to any constitutional or legal position, the government should give favourable consideration to the introduction of special legislation to deal with this matter in terms which will make certain that no hardship or disadvantage accrues to persons who in good faith have taken action based on commitments given by governments in times past. Your committee has concluded that such action is a necessary prelude to implementation of policies currently required for preservation and development of the Rocky Mountain national parks.

• (3:00 p.m.)

Having accepted the proposition that Banff and Jasper are permanent communities within the parks, presently and in the future unique in certain respects, your committee is concerned with the future of these towns as functioning entities, and with the opportunities for exercising civic rights and responsibilities which will be available to the Canadian citizens living in them. Your committee recognizes the main economic base of these relatively small communities is and will remain the provision of services to a large and fluctuating transient visitor population, with the servicing of railway operation a lesser but, particularly in Jasper, important activity.

Proposals for dealing with the situation outlined above have run, on the one hand, from the extreme of geographic extraction of Banff and Jasper from the parks and through "corridor" links placing them under normal provincial jurisdiction to, on the other, operating them in perpetuity under the direct "colonial" jurisdiction of a ministry of the federal government, administered through a townsite manager. Your committee rejects both such extremes. It is of the opinion that the first is financially impracticable, and incompatible with the successful maintenance of the national parks trust in the two parks concerned. It is of the opinion that the second is incompatible with the exercise of civic rights and responsibilities which residents of any Canadian community should enjoy.

Your committee therefore recommends that the government give favourable consideration to the introduction of legislation incorporating Banff and Jasper as towns under special federal charter.

Your committee recognizes that such charters must be drawn in terms which will ensure that no powers exercisable by the corporations will interfere, either within or without their boundaries, with the proper management of the parks; further that the terms of the charters must provide a careful delineation of financial powers and responsibilities as between the federal government and the corporations, having due regard to retention by the crown in right of Canada of ownership of all land within the national parks.

Your committee suggests that, among other provisions, a proper balance of powers under the charters might be achieved through a council with a mayor appointed by the minister and a council elected by and from the duly qualified residents of the town.

Your committee further suggests the chartering legislation provide that subject to the terms of agreements made between the federal government and the government of the province of Alberta, the corporations be authorized to enter into arrangements with appropriate departments or agencies of the provincial government in respect to services normally provided to municipalities incorporated under the laws of the province.

The minister earlier asked the hon. member for Brandon-Souris whether he thought perpetual leases should be allowed to continue forever, which was the word used in the committee. I want to state my view quite clearly. I do not believe that these perpetual leases should be allowed to continue forever. I am not learned in the law, but it appears to me that the way in which some of these leases were drafted comes pretty close to being the equivalent of title in fee simple as we ordinarily understand it in other parts of the country outside of park boundaries.

I believe that the national parks trust is such that the lands within the national parks of Canada should be those of all the people of this country. But the fact remains that these actions were taken in the past. The fact remains that because of the way in which these leases were worded, as far as I can understand after listening to the pros and cons put forward with regard to them, some of the people who acquired leases in earlier days, at least before the moratorium imposed in 1958, held leases that were in effect perpetual. Because of the terms of these leases they believed they had the right to expect their automatic renewal forever, subject to certain conditions required by the department from time to time.

Notwithstanding any question of the legal or constitutional position of these leases, I think this parliament should deal with the question as a matter of equity and the normal citizenship rights of the people of this country. We have heard it argued that people have capitalized on the inflated value of these leases, and this may very well be true. When the committee made its report to the house it in effect told these people that if they wanted to question the actions of the department they could take the matter to the Supreme Court on their own initiative. I do not think this was a proper position for a parliamentary committee to take.

When we went to Banff and Jasper I had the feeling that the people there thought the committee was the highest court in the land coming to hear their case. I believe those people had the right to expect more from the committee than a complete brush-off of the representations which they as Canadian citizens made to us. I think the least that could be done, bearing in mind all I have listened to about the past history of this matter, is that a proposal be placed before parliament which would have the result of settling this problem in an equitable manner. If I may say so as an aside, I think it would be very sound politics for the government to place a proposal before parliament which would deal with the matter in an equitable manner and not as one of legality or constitutionality.

I am not a lawyer nor am I a financial expert, but as I understand the terms of these leases these people have an entitlement to what I would term, for want of a better phrase, some kind of severance allowance, if we are to terminate the practice initiated in the past. How this matter should be dealt with is, I freely admit, a very complex and complicated question. I have heard the argument advanced that the appreciation of these leases has been as a result of the expenditure of public moneys in the parks. The leases have undoubtedly appreciated because of that fact. I think parliament should look into this question and consider its responsibility as between what is admittedly a small group of Canadian citizens and the citizens of Canada generally.

If we were to consider taking action along these lines it might very well be said: In order that no one who has been in the parks will be able to exploit their position, let us determine what is the average increment across Canada from coast to coast in respect of land values. Let us compare these values with those of lands which have been held under perpetual leases and let us work out a formula which will provide that these people will be neither better nor worse off than would be a citizen of Canada who is in

possession of property representing the average appreciation of land values in the country.

The Acting Chairman (Mr. Richard): Order. I regret to advise the hon. member that his time has expired.

Some hon. Members: Carry on.

Mr. Barnett: Mr. Chairman, some hon. members have suggested that I carry on. However, I believe I have made my point on this matter. As I have said, I will have an opportunity to deal with other aspects of the minister's department as we proceed with the consideration of these estimates.

• (3:10 p.m.)

[*Translation*]

Mr. Laprise: Mr. Chairman, I wish to take advantage of the study of the estimates of the Department of Indian Affairs and Northern Development to call the attention of the minister to a matter which concerns Indian affairs in particular.

At the outset of his remarks this morning, the minister told us that the government entrusted him with the responsibility of Indian affairs about a year ago. In view of the changes being effected by that department in the area that I represent and where I live, I feel that the minister should also answer to the house for the activities of his departmental officials.

The minister advised me recently in writing of the official decision to transfer the Indian affairs office from Amos to Val d'Or. I had been aware for several weeks that the department of Indian affairs wanted this transfer and I was also aware, having been involved personally, that steps were taken on both sides. I was involved in the steps taken by the authorities and by the public bodies of Amos to keep this office in Amos where it has been for more than 25 years. I wondered why this transfer was being made from one city to another in this northwestern region. After analysing all reasons that were given to me and to the representative of the town of Amos, I concluded that it was more a question of accommodating the civil servants than giving the Indians the service the department is required to give them.

On February 8, I received from the Minister of Indian Affairs and Northern Development (Mr. Laing) a letter giving the reasons supplied by his officials to ask for such transfer. Here is what he said, and I quote:

> It has been suggested that the main office of a new division which will serve the whole northwestern part of the province, be set up at Val d'Or.

I would like to know who made that suggestion. The minister does not say who did in his letter; he merely says, "It has been suggested". I would therefore like to know who made the suggestion, whether it was the Indians themselves, the leaders of the Indian bands in the area or officials who, for some reason I do not know exactly, prefer living in one city rather than in the other.

The minister also pointed out to me that, according to his officials' reports, and I quote:

> Val d'Or has an airport which gives regular service towards Poste-de-la-Baleine and other points, and I understand that that was one of the factors which the branch officials took into consideration.

On January 24, 1967, the clerk of the town of Amos, on behalf of the municipal corporation of Amos, sent a letter to the assistant deputy minister of the Department of Indian Affairs and Northern Development in which he said in part:

> The town of Amos has now almost completed the municipal airport started a few years ago and air traffic could begin as early as next summer—

Meaning this summer.

> —since the landing-ground itself is more than sufficient.

Mr. Chairman, as far as the airport is concerned, I think the problem can be solved shortly and I know that representations are being made by the authorities of the town of Amos with the Department of Transport for the completion of that airport.

So, I continue reading the reasons given by the minister in his letter of February 8:

> Moreover, Val d'Or is more central since it is linked by road with Maniwaki and Notre-Dame-du-Nord.

With Maniwaki, right, but it is not quite the same thing as far as Notre-Dame-du-Nord is concerned because to get there—if my information is correct; I live in the area—one must pass by Rouyn, and from Rouyn, the distance to Amos or Val d'Or is about the same. Therefore, only the Maniwaki area would have the distance advantage. On the other hand, the Matagami and La Sarre areas and others to the north would be at a disadvantage, because their residents would have to travel farther to go to the Val d'Or office, whenever the need arises. The letter goes on to say:

> The need to expand the office so that it may serve as a regional office is not, it seems, an important aspect of the question, for this need could be met in both places.

That is true, for a letter was sent to an official of the department living in Rouyn to tell him that there were unoccupied buildings in the town of Amos which were large enough to house these offices, and that if these buildings did not meet the needs of the department, a number of Amos businessmen would undertake to build others within a short time.

I continue to quote the minister's letter:

However, I am told that it could more easily be done in Val d'Or.

• (3:20 p.m.)

Therefore, do not think it is easier to put up public buildings in Val d'Or than in Amos. Sometimes, it is building contractors from Amos who erect buildings in Val d'Or.

I continue:

As far as living accommodation for the staff is concerned, Val d'Or, being a larger town, has more facilities; that is one thing which should be taken into consideration, because staff recruitment can be hindered at times because of a lack of accommodation for rent at reasonable prices.

Here is what the tour clerk of Amos wrote to the deputy minister on January 24:

The matter has been referred to the municipal authorities which intend to facilitate access to appropriate housing to employees of your department; at any rate, several large projects are anticipated for the spring. The town of Amos is developing rapidly and will certainly be able to provide accommodation immediately, and even better this summer, for all additional employees your department may need in Amos.

Therefore, Mr. Chairman, I think that meets the requirements of the Indian affairs branch as far as offices and housing for the staff in that city are concerned.

In his letter to me, the minister said:

The proposed district will include Indian people of different languages and religious faiths. To meet their needs and to provide them with our services in the most acceptable manner, it can be expected that some members of the staff of the proposed district office will also be of different origins and request, for themselves and their families, schools and churches which exist in Val d'Or but not in Amos.

Mr. Chairman, there again, I feel that as far as education and religious services are concerned, the city of Amos can meet the needs of any nationality just as well as any other city in northwestern Quebec. As a matter of fact, in his letter of January 24 which I quoted earlier, the Amos city clerk mentioned this with regard to schools:

The city has several primary and secondary schools and is also the headquarters of the Harricana regional school board which controls the whole secondary educational system in the area. Amos also has an Institute of Higher Studies, soon to be certified by the provincial government, which prepares students to enter university.

The Indian population of Amos is already integrated in the city of Amos and its religious and cultural institutions, and every day, young Indians can be seen fraternizing with the white population of the city. We submit that the educational experiment of the Indian affairs branch in Amos has been very successful and that the prevailing educational climate in Amos is unique in northwestern Quebec.

Eventually, the city of Amos will be in a position to accommodate all the Indian students from the north of the province and provide English classes for them, since several requests have already been made by English-speaking families who wish to settle in Amos and are only waiting for the establishment of English schools to do so.

Mr. Chairman, now that could meet the requirements mentioned by the department officials to justify transferring the office?

In the light of the reasons given by those officials and the services which are planned at Amos, as well as at Val d'Or and everywhere else, I have come to the conclusion that it is not so much that the Indians want to settle in Amos but rather that civil servants want to ensure their own well-being instead of wanting to serve the Indians who come under the jurisdiction of the department.

Last summer I accompanied the committee on northern affairs and national resources on a tour of northern Canada, the Northwest Territories and the Yukon, and I found that in those places too there are civil servants who do not seem to understand why they are there.

Of all places we visited, I noticed that the community where this situation was most obvious was the town of Fort Smith where, it seemed to me, nobody cared about Indians or Indian affairs.

I also noticed that civil servants, in that town especially, were mainly concerned with their own welfare. They are helping Indians to ensure their comfort, but as far as their education or their care is concerned, they almost completely forget about them, to the extent that when we held meetings at Fort Smith, all the Indians and Eskimos who must live in that area, I imagine, were absent, except a half-breed I think.

All that to say, Mr. Chairman, that reforms would probably be needed within the Department of Indian Affairs and Northern Development to ensure proper administration of Indian affairs.

Those are, Mr. Chairman, the comments I wanted to address to the minister this afternoon. I would also ask him once again who requested that transfer of office from Amos to

Val d'Or. Could he tell us, at the same time, whether the Indians, individually or through their chiefs, have asked for that transfer or whether they have been consulted? In the latter case, how was it done and what was their reply? It would be interesting to know the answers to those questions.

[*English*]

Mr. Orange: I should like to begin my remarks, Mr. Chairman, by thanking the minister for his statement at the commencement of this discussion. He touched on three major areas of his department, national parks, Indian affairs and northern administration. In the few minutes allotted to him, as he stated, he was unable to deal with these subjects in the depth he would have liked. In my view the remarks he made regarding resource development in the Northwest Territories were amongst the most significant.

However, for the moment I should like to talk about Indian affairs. Earlier this week I had the opportunity of visiting the Canadian Indian pavilion at Expo '67. This pavilion, which was sponsored by the minister's department, was designed and developed by the Indian people themselves. I believe every Canadian who visits Expo should take the hour necessary to visit it. It tells completely the story of the Indian people and their association with the white man from the time the white man first came to this continent. The department provided the funds for the construction of the pavilion but told the Indian people, this is your pavilion and you tell us what you think it should be like.

I believe the most significant thing about the pavilion is the story it tells and the indication of a change in attitude toward the administration of Indian affairs because the government said, "We want you to do it." The story told is not necessarily a happy one. When you walk into the building you feel the bewilderment that the Indian people must have felt when they first encountered the white man on this continent. Then there is an indication of some semblance of hope that they could live with the white man. As the white man expanded westward there was a feeilng of despair and frustration, and finally hate. We see the effect of the white man's institutions on the Indian people and their culture.

However, as you walk out you see the story of what is happening in terms of Indian education today. As you leave you feel that the Indian people believe this may be a time of change and the white man and his red-skin brother may be able to live together on this continent. I was rather impressed upon reading some of the inscriptions on the walls of the building. In the early days the Indian people said:

> We paid honour to the spirits in all living things by wasting nothing.

This is so symbolic of the culture of the Indian people. On the other hand, there were some words that were rather harsh and bitter, not the least of which were these:

> Well into the twentieth century the welfare of the Indian was regarded as proper work for retired soldiers, many of whom were kindly and well intentioned but treated their charges like amiable, backward children.

• (3:30 p.m.)

I hope that this pavilion and the story it tells are an indication of a change of attitude, a change in approach on the part of individuals generally with respect to their relationship toward the Indian people. In this respect I should like to draw the attention of the committee for a moment treaties Nos. 8 and 11 which affect the Indians of the Northwest Territories, northern British Columbia, northern Alberta and northern Saskatchewan. These treaties were signed in the 1920's. Certain agreements were made between the Indian people and the Queen, including the disposition of certain lands to the Indian people. To this day these treaties have never been fulfilled in that the Indian people, who incidentally do not want to live on reserves in these areas, have never received compensation in lieu of the lands they were to receive.

At Inuvik last week I spoke with Mr. James Koe, a member of the Indian advisory committee, about treaties 8 and 11. Mr. Koe expressed to me a feeling of incredible confusion, distrust and lack of understanding regarding the position of the Indians with respect to these treaties. The treaties themselves were obviously written in a hurry by meandering bands of well intentioned civil servants who were sent to negotiate some form of arrangement with the Indian people.

Mr. Diefenbaker: What year were the treaties signed?

Mr. Orange: The treaties were signed in 1921. An example of the kind of confusion is that one of the terms in treaty 11 is the provision of $3 worth of shells, nets and other paraphernalia needed for the Indian way of life. In 1921 this amount may have been significant. Today the Indian people are still receiving $3 worth but instead of five or six

boxes of shells and one or two fish nets they receive perhaps one box of shells and one fish net for every second family. I am hopeful that the department and the minister will resolve to treat the problems facing our northern Indian people as urgent and will discuss with them the provisions contained in treaties 8 and 11, which to date has not been done.

When I had the opportunity of saying a few words in the debate on the speech from the throne I touched on a subject which I believe is of great importance in the development of the country to the north. I refer to the provision of basic services to the communities there. I spoke at great length about the extension of adequate water and sewer services to the community of Inuvik. I must congratulate the minister and his department in that within three or four days of my speech they were able to announce the start of an experimental system at Inuvik. I know this was not necessarily as a result of the few remarks I made because I understand that action was under way prior to the debate in the house. However, I think this is an important matter which must be faced by the government of Canada together with the governments in the territories, both territorial and municipal.

In the process of transferring responsibility from the federal government to the territorial government I would like to see arrangements made whereby the senior government would take upon itself responsibility for initiating and establishing an adequate water supply, sewage disposal, electricity and basic housing in all northern communities. This is an opportunity for the federal government to show the seriousness with which it intends to develop and is developing the north. It seems to me that this would be a logical, reasonable and practical step.

In the process of opening up northern Canada communications and transportation are two of the obvious factors of great importance. The minister made reference this morning to the fact that within the last several weeks two air lines commenced operating jet equipment to the Arctic coast. This is true and it is a good thing. It is an example of the initiative that can be taken in the north by the private operator or entrepreneur.

However, Mr. Chairman, one of the difficulties with which we are faced is the development of adequate facilities. In many parts of northern Canada and the northern part of many provinces there are periods of the year when communities are completely cut off from the outside. These periods vary from three to six to nine weeks, at break up and again at freeze-up. Apart from the obvious dangers that could arise as a result of epidemics, the over-all growth and development of these areas is greatly affected.

Yesterday I received a telephone call from a community in Keewatin called Eskimo Point. The object of the call was to see whether somehow or other the backlog of mail which apparently exists in Churchill could be moved out very quickly as the break-up was expected in two or three days. Fortunately the post office was one step ahead of us and there was no need to follow up this matter. But the point is that sometimes those in the south forget that a community of 200, 300 or 400 people can be completely cut off from the outside for a period of time.

The point I am trying to make is that there is urgent need for the development of adequate air strips in the Northwest Territories and the Yukon Territory, as well as in other areas of Canada which at times are isolated and cut off from the rest of the country. I know the minister has proposed an air strip program which would bring year round transportation facilities to every community for which he is responsible. I know that this program has had some rough sledding at the hands of members of the Treasury Board. However, I should like to add my words of support in the strongest way for this program, with the hope that the minister will be able to convince his cabinet colleagues that the only way we will develop this great northern country of our is to provide adequate transportation and communication services to meet the growing needs.

Within the past several months it was announced that Yellowknife had been selected as the capital of the Northwest Territories. It was also announced that the commissioner of the Northwest Territories would move to the capital of Yellowknife. We are all anxiously looking forward to seeing the legislation brought before the house to bring about the development of responsible government in the Northwest Territories.

A few days ago I said I hoped that the legislation would be in line with the views of the people who live in these territories so that it will be passed readily by the house. There will be a certain amount of discussion of what the government is proposing and I suggest to the minister that there are three areas which he might want to consider before such legislation is brought before the house.

• (3:40 p.m.)

The first matter is the relationship between the commissioner of the Northwest Territories and the minister. If I might explain under the present legislation the commissioner is responsible to the minister and at the same time he is the head of a partly elected and partly appointed council. As such he is in the rather awkward position of having to keep the minister happy and having to keep the elected representatives happy. He serves two masters, which is awkward. I have no patent solution to the problem and I do not intend to bring one forward today, but I ask the minister to keep in mind what I have said when bringing down his proposals.

The second matter that the minister ought to consider is the amount of indemnity that is to be paid to members of the territorial council. Approximately one year ago we enacted legislation which raised the salaries of the elected members of the council from $2,000 to $5,000 a year. We also agreed to pay $3,500 a year to the appointed members. At that time it was said that these changes were housekeeping amendments. If we expect the elected representatives to bear responsibility in the territorial government I do not think it should be up to this house to set their salaries. We should not say what the elected representatives are to be paid. I sincerely and firmly believe that if the members of the council decide to raise their own salaries beyond what is reasonable they will receive their answer from the electorate. The next time round they may be looking for a new job.

The third point that I hope the minister will take into account when he brings in this legislation has to do with the appointed members of the council. I know there are compelling arguments for having appointed members for the time being on the Northwest Territories council to represent the views of all Canadians, because the federal government itself has a great interest in the north. But what the government seeks to achieve can be achieved as effectively, or possibly more so, by establishing a series of advisory groups or committees which would report to the commissioner with respect to those areas on which the appointed members now report. I suggest that the minister consider my proposals so that when the legislation is brought forward all aspects of it can be examined in a non-partisan manner. This would be in the best interests of the two territories in the northern part of Canada.

I was interested in the reactions of many hon. members who have already spoken on parks. They said nothing new, having repeated their ideas on many occasions and in various committee meetings. The one area I wish to bring to the minister's attention is the Wood Buffalo national park. We have heard the minister acknowledge that if, somehow or other, the federal government and the province of Alberta could get together arrangements might be worked out whereby certain areas of the park would be transferred to the province and be administered by it. These areas include the so-called gypsum deposit which along the Peace river and the timber stands in the same area. The northeastern corner of Alberta, as a result of the tar sands development, has become a centre of new economic activity and resource development. When these arrangements I have spoken of are worked out between the federal and provincial governments I expect that the economic activity will extend virtually to the border of the Northwest Territories.

My point is that there has been much talking about this subject. I do not know at what level that talking has taken place but the newspapers have had much to say about the matter. I do know that it is important to resolve the discussions between the two levels of government as quickly as possible. There seems to be a tendency for each of the governments concerned to say: "Well, if you will come to us with a proposal we will be prepared to listen to you without making any commitment." I am not skilled in the arts of diplomacy and negotiation but I am sure that somehow or other arrangements could be worked out to bring about an agreement to transfer part of Wood Buffalo national park to the Alberta government.

In this our centennial year all Canadians should take great pride in what is happening in the Northwest Territories and in the Yukon Territory. I listened this morning to the remarks of the former minister of this department and to his biased platitudes about what he and his government had done when they were in office. We acknowledge that there was an impetus to do what they did. We also acknowledge that the roads program, for example, in the north was an extension of plans which were already on the drawing board. We are aware that in the years 1962 and 1963, when an austerity program was implemented, that the unfortunate area to be hit first and hardest was northern Canada. Millions of dollars for the construction of roads and schools

disappeared from the estimates. Only in the last two or three years have programs to achieve what should have been achieved come back on the rails. These programs have been added to the new programs.

Be that as it may, I am hopeful that we have started on a course which will develop the great natural resources of the north. We hope that any such program will involve the people of the north in the development of their natural resources. Mr. Chairman, the greatest asset that we have in northern Canada is our people.

• (3:50 p.m.)

Mr. Alkenbrack: Mr. Chairman, as a member of the committee on northern affairs and national resources in the last session of parliament I feel compelled to offer a few remarks at this time. Having been a member of the expedition composed of committee members, the deputy minister and officials of the northern affairs department which toured the Northwest Territories and the Yukon from July 28 to August 8 last, I believe that as a result of this tour we now take more interest in these territories, their peoples and in their administration than we did previously. We feel closer to these people.

I had never been in the Arctic before. I marvelled at the magnitude of that land, its emptiness, the bleak loneliness of the north. I also learned to appreciate the unique beauty of the hardy life which, none the less, does flourish there. In a 15-minute walk across the tundra just outside the village of Frobisher Bay I picked ten different kinds of beautiful wild flowers unknown to the rest of Canada. I also noted during that walk that the white man is defiling the north. We left our bus along the road to take pictures of a beautiful bed of wild flowers outside the village of Frobisher Bay and we found proof that the white man is littering the north as he is littering the south. I had to pick up a couple of empty beer bottles from that flower bed before I could take a picture of those beautiful Arctic wild flowers.

I maintain that we as Canadians must govern ourselves in the north in such a way as to avoid what has happened in other parts of Canada or we shall find the north polluted and defiled, something which should never be allowed to happen. I mention this in passing, and I know the minister agrees with me in this regard.

I congratulate the minister on having arranged this "first ever" trip. It was the first time a committee of the House of Commons had visited the vast far north. I thank the deputy minister, Mr. Gordon, the northern administrator, Mr. Henderson, and the other officials who accompanied us for the vast amount of information they were able to impart to the members of our committee. I also thank all my travelling companions for a very pleasant journey in such distinguished and agreeable company. I also wish to thank formally the chairman of the committee, the hon. member for Fort William, who gave us such good leadership during our journey.

The next expedition to be made north of the 60th parallel, which is the southern boundary of these territories, should consist of the Prime Minister and all his cabinet colleagues. They would then waken up and become cognizant of the shortcomings of the present government with respect to the needs of these territories and their peoples. If they were to take such a trip their attention would be diverted from subjects on which they have been wasting time for the past three years, namely, flags, national anthems, political inquiries, coats of arms, bilingualism and other matters which divide Canada and distract public attention from the shortcomings and blunders of the present administration in other and more important fields of their grave responsibility, including the Arctic.

As a member of the committee I appreciated the meetings we held every evening in each northern centre we visited. I will outline some of the needs expressed, some of the progress made and some of the comments, both favourable and unfavourable, advanced by the Eskimos and the Indians. At Frobisher Bay we met with the Eskimos in Apex Hill hall which is in the Eskimo village of Apex Hill just outside the town of Frobisher Bay. Hon. members will be proud to learn that this hall was built by the Imperial Order of the Daughters of the Empire. It filled my breast with pride to read the sign outside the hall linking this illustrious order with the needs of the north. I thought of the tremendous influence for good which the Daughters of the Empire and all other patriotic Canadian ladies' organizations have exercised in the building of Canada.

One of the things which concerned the community council was the need for more adult education for Eskimos. Members of the committee will recall that the council protested the building of a government liquor store at Frobisher Bay. Most council members said it would have been better to build a radio station at Resolute Bay. They told the committee that a good radio station covering the

eastern Arctic would help serve as a classroom for the educational program they wanted. A good 10,000 watt transmitter would pay off in this regard. The government could see to it that receivers were issued to all residents and knowledge would be imparted by radio courses to these potentially adept and receptive people the year round, especially during the long months of the Arctic night. Members of the community council pointed out that though southern Canada now has colour television 40 per cent of Canada and the 30,000 people of the Northwest Territories do not even enjoy satisfactory radio transmission.

Medical services at Frobisher were said to be good, and I compliment the minister and his department on this. But the remainder of the eastern Arctic depends on the ship *C. D. Howe* which once a year brings medical attention to outports near Arctic waterways. The *C. D. Howe* costs $15,000 a day to operate and we were told that last year it was stuck in the ice for about 15 days during which time, of course, people were getting no benefit from its services.

Mr. Orange: May I ask the hon. member a question?

Mr. Alkenbrack: When I have finished.

Mr. Orange: What about the nursing stations?

Mr. Alkenbrack: Most of the council agreed that it might be better to have a flying doctor service, especially on Baffin island.

Mr. Orange: They have one.

Mr. Alkenbrack: I hope they have one by now. They did not have one at the time I mentioned. I am only reporting some of the shortcomings of this government, some of the conditions about which these people were rightly complaining. A flying doctor service costs less than a marine service and would be more efficient.

• (4:00 p.m.)

In order to establish tourism in the eastern Arctic it would be necessary to have concerted community development and a very careful policy. I do know there are many United States citizens who would like to tour the Arctic, especially the eastern Arctic. I believe there is a potential, especially in the Baffin island area, which in time could be cultivated.

I was informed that the Eskimo natives are crying for more work to do in their homes and in their fur garment and sealskin industry. I was advised that vast amounts of money are being wasted in the north in relation to welfare payments. Apparently many of the native recipients just sit around drawing relief. Their dumps get bigger and bigger, and so do the welfare payments. One Eskimo member of the council, when speaking to us at Frobisher Bay last July, said "Do not give us something we do not know what to do with; give us something that we know or can learn about, and how to use". That is pretty plain English. As someone said, it is not necessary to be among these people very long before they are able to impart to you knowledge which applies to them and about which one could not know from any other source.

When one learns to know the way the Eskimos think it is possible to appreciate what they mean. There also seemed to be an inference that the Eskimos, compared to their affluent white fellow citizens, are many levels lower in the community. One Eskimo woman stood up and spoke to the meeting. These people are very eloquent. They have an inborn innate quality which enables them to express themselves very articulately. This woman voiced the opinion that there was too much difference between the white people and the Eskimos. She said that the white people are served their fuel oil while the Eskimo people must go where the oil is kept and carry it home in a pail.

I also learned there is a big difference between the pay and the living conditions of personnel of the Department of Transport and personnel of the Department of Indian Affairs and Northern Development in the Northwest Territories. For example, personnel of the Department of Transport fare 25 per cent better than their counterparts in the Department of Indian Affairs and Northern Development in this regard. I was told that over the past three years personnel in the Department of Indian Affairs and Northern Development have actually suffered a cut in wages because of the rapidly rising cost of living which we have been talking about here for the past year, and in respect of which the government has done nothing.

I have said that we must bring to the Eskimo people more needed medical services. On October 18 I pointed out to the house that there is a lack of medical services at Pond Inlet, a village of 250 people, and at Clyde River, an Eskimo village of 240 people on the northeast coast of Baffin island. These medical services are needed at those points immediately. Surely by now this problem has

been taken care of by the minister and his officials.

The council at Frobisher Bay was critical of the government housekeeping. It was said that the administration allows the dumping of sewage at high water near the Apex Hill housing settlement. This must be corrected and stopped. A councillor, named Tickabick—and the hon. member for the Northwest Territories probably will remember him, because I believe he is an acquaintance—protested the fact that white people have freezers and the Eskimos are not allowed to have them. He said they might not be required in winter, but that they are required in summer because this is the time when more animals are available and can be frozen for food to be used later.

Another councillor, named Uladjuk, deplored the fact that the council has no power and should be able to do more than just sit around and talk. I am sure that all of the members of this house agree with Uladjuk. The Eskimos at Cambridge Bay require more financing for their local co-operative. An Eskimo woman who was in the audience at the Cambridge Bay meeting said that times are changing very fast as Eskimo ways change to the white man's ways. This woman too was very eloquent which, as I said before, is something common to the Eskimo race. She said she is encouraging her children to stay in school in order to learn more of the modern ways of the great outside world.

At Cambridge Bay the medical services are good. There are five nurses in the field, three doctors, and one hospital with 26 beds serving 3,000 people on the island. I should like to remind hon. members that this island, Victoria island, is a territory larger than Newfoundland.

So much for some of the needs of the Eskimos. As I told the house on October 18, the public health nurse who looks after the Dog Rib Indian tribe at Fort MacPherson needs a means to transport her patients from the outlying points to the nursing station and often to the landing stage of the Peel river. Many hon. members who have visited this area can vouch for this need. The hon. member for Comox-Alberni was with me at the time I was discussing this small but very important need at that village. I would hope that by this time the administration and the minister have arranged for the provision of a car at Fort MacPherson on the Peel river.

When speaking of the Indians, Mr. Chairman, I remember when I was a child hearing one of the first Indian songs I ever heard. It is known as the Indian Lament. Many members probably remember it. I should like to quote the first verse of this song, because it is so true in relation to the subject we are discussing this afternoon:

An old Indian sat in his birch bark canoe
And sailed o'er the waters so deep and so blue
And he sang of the time when the lands were their own
Before the pale faced men among them were known.

This lament went on through many verses to commemorate the tragedy of their race.

The story of the North American Indian is one of the greatest tragedies in modern history. We found this to be the case when we visited certain sections of the north which were populated by Indians. Their plight is regrettable. The Indians at Churchill are in a very poor state. When we visited their village, their low standard of living, which is largely self inflicted, was evident. We went up a road flanked on either side by what once were neat and comfortably built government houses. These houses were recently built. They did not appear to be much over five years old. I did not see one house in which the windows were intact. This village was a real slum. It is a disgrace, not necessarily to the natives, but to us, to the people of Canada and to those of us who sit in this chamber and endeavour to administrate.

• (4:10 p.m.)

The chief of that tribe just outside the town of Churchill apologized because of the broken windows in his house. He said that he did not break them but that they were broken by the younger generation who, since the tribe left the bush five years ago, had no respect whatever for tribal authority. I can see a parallel in this in relation to younger generations in other parts of Canada. These Indian young people will no longer respect civil or tribal authority. Let me commend the government for correcting this situation by moving this village to a point four miles outside the town near the Eskimo village, but I hope this is not just an act of sweeping the dust under the rug. Perhaps this will improve the lot of this Chippewan tribe of Indians outside of Churchill.

The Prime Minister has said that the Company of Young Canadians would be employed in social and citizenship work among the Indians of Canada during this our centennial year. It is my understanding that this group now consists of 112 young Canadians,

66 of whom are volunteers and 46 administrators. It seems to me that in this case there are more chiefs than Indians. Surely this situation does not augur well for the future of this Company of Young Canadians. Apparently there is a shortage in recruitment for this company of 2,400. The Prime Minister suggested that the group should comprise 2,500. It has been forecast that this company will spend $2,445,000 in carrying out its activities this year. On the basis of the number now in this company this figure works out to about $38,000 per volunteer, and 12 cents per citizen in Canada including those unfortunate Chippewan Indians who are supposed to be helped. Apparently this group of young Canadians, for which we all hold great hopes, has had little success. I do not blame the minister for this situation, but I do draw it to the attention of the Prime Minister and the cabinet.

The chief of this tribe of Chippewans has said that their greatest problem results from Indians drinking alcoholic beverages in the town of Churchill. Apparently they go into the town, partake of these beverages and then return home and destroy property. Let me ask the eternal question: Why do we aid and abet this terrible curse on these people? These were once proud Indians who have now lost all their inbred initiative as a result of the white man providing them with alcohol. We have been told that when the Indians could not buy alcohol from the white man they made their own. This problem must be solved if these once proud people are to survive, but apparently this government is doing nothing to find a solution.

At this point I should like to emphasize the need to continue the roads to resources program initiated by the former Conservative government under the sound leadership of Right Hon. John G. Diefenbaker. This program has paid off and the Pine Point railway development is living proof of that fact. I marvel at the work being done in that area and the wealth being wrested from the north and transported by that railway to markets in the south. I know that this is our most famous road to resources. Last year 185 men produced $55 million in new wealth from this northern area. I do not know what the figures are for the current year, but it is likely proportionately greater. This wealth has come from the movement of concentrates and other materials from that area to all parts of the continent.

Having regard to this railway let me remind the Minister of Transport that I noted a number of unprotected level crossings on this line, some of which were in the town of Hay River. There is quite a bit of automobile traffic in that area and these people are entitled to safety signals at these railway crossings, just as we in the southern part of the country are entitled to them. Last spring I warned the government about the folly of building new railway lines with unprotected crossings, and my remarks in this regard can be found at pages 4270 and 4271 of *Hansard* for that session. One might find some excuse for the lack of safety signals at level crossings on well-established lines which were built before the advent of automobile transportation, but there is no excuse for unprotected level crossings on newly constructed railway lines. On those lines every crossing should be protected. These protections should be as basic to the construction of railway lines as ties, rails and rolling stock.

In closing, let me express the hope that this government will awaken to the needs of the north and the value to Canada that this vast area could become. Let all Canadians recognize this fact and devote themselves to the development of this last and largest geographical and physical frontier of this country. We cannot all live in a narrow strip within sight of the great lakes or the 49th parallel. Let us bury the things that divide us along this narrow strip I have mentioned, and walk a little further northward in the unity that we owe this great land. We must do so if we are to develop it fully for posterity.

• (4:20 p.m.)

[*Translation*]

Mr. Blouin: Mr. Chairman, I too would like to make a few remarks on the estimates of the Minister of Indian Affairs and Northern Development (Mr. Laing).

As the member for the largest riding in Canada, that of my hon. colleague and friend from the Northwest Territories (Mr. Orange) excepted, of course, I must say that there are several problems in my riding concerning not only the Indians but the Eskimos as well; some also stem from the tremendous size of northern Canada and the Quebec part of it in particular.

Mr. Chairman, my riding covers 375,000 square miles and has a population of 128,000. Needless to say, problems often arise which are very complex. I have already mentioned this area a few times in the house and I insist on mentioning it again.

The northern part of my constituency is inhabited by most of the Indian and Eskimo population of the Quebec far north. Nevertheless, Mr. Chairman, I should like to mention here what has been done for certain Indian reservations, because extensive work has been undertaken recently and I would like at this stage the thank and congratulate the Minister of Indian Affairs and Northern Development for his great understanding of these problems, and his staff for their initiative, particularly for the program which I would call the five-year home building plan launched two years ago in the renewal of certain Indian reservations of Canada.

I must also mention that my constituency includes eight official Indian reservations partly composed of the Montagnais tribe, the Naskopis and the Eskimos. These reservations are situated at Les Escoumins, Bersimis, Sept-Iles, Maliotenam, Schefferville, Mingan, Pointe-Parent, and La Romaine.

In the Bersimis reservation, several houses and schools have already been built and other improvements made. At the Sept-Iles reservation, the largest of all the Indian reservations in my constituency, there has been going on since last year a complete and total renovation of this reservation located within the very limits of this modern town which grew up and expanded through the mining developments that have occurred during the last ten years.

I also know that provision has been made to move the Schefferville Indian reservation for the greater good of this whole Indian community. However, there again, problems occur and this move will only take place when agreement is reached with the government of Quebec concerning lots, that is the land that is now owned by the crown.

There remain the Indian reservations on the lower north shore which are in a rather sorry state, not to say pitiful. These are the reservations of Mingan, Pointe-Parent and La Romaine and I hope the minister will duly note and that he will continue, as he has so well started, the improvement of the other reservations I mentioned a while ago.

I should also like to say a word about the improvements that were made to the Sept-Iles reservation, because, I said in 1956, while I was president of the chamber of commerce of that town, that the Indian reservation within the very city limits was in a deplorable condition, that there were a lot of slums and insanitary houses there and that such a situation for Indians should not be tolerated any longer.

And I remember that at that time—I am still referring to 1956—we appealed to the minister. Indian affairs then came under the department of citizenship and immigration, which, if my memory serves me well, was then headed by the present Minister of Transport (Mr. Pickersgill).

He came in person on the spot to assess the situation and he agreed that this situation was intolerable.

I am pleased to inform the house to-day that the minister realized that these improvements were a "must" and we are now satisfied with the results.

A little further up the north coast, as I mentioned earlier, there are several more Indian reserves in need of improvements. Some studies have been carried out in this area also, and I repeat once more I hope that the minister, who hears what I am saying, will take notice and will carry out the work to which he has given such a good start.

During the last year, Mr. Chairman, I received from various chiefs of Indian bands in my riding complaints concerning their responsibility.

They were complaining, and still are, that the government does not give them enough responsibility or freedom or, if you prefer, initiative. They are always told: The government will see to this or that, and Indian bands consider that they are thus deprived of their initiative.

Therefore, I think that as Indian bands are allowed to elect and appoint their chiefs—as is already done in a few reservations in my riding—who will be able to agree, understand and come to Ottawa—as has been done in the past—to exchange views with the departmental officials, it will then be possible to progressively delegate more responsibility and give more latitude to chiefs of Indian bands.

Mr. Chairman, there is another important matter which I would like to raise in this house today. Although it comes under provincial jurisdiction, on the one hand, it concerns also the federal government and more particularly the Minister of Indian Affairs and Northern Development.

I received not very long ago a request from the employees of the federal government who work in the far north. They are posted on the shores of Ungava bay, Hudson strait and Hudson bay, all in the province of Quebec.

Following that request signed by several federal employees, here is what was published last May 18 in the Ottawa *Citizen*:

• (4:30 p.m.)

[*English*]

It is entitled "2000 are deprived of franchise". I want to bring it to the attention of the minister because I think it is a big problem. The report from the Ottawa *Citizen* of May 18 reads as follows:

The Labrador boundary dispute between Quebec and Newfoundland has been depriving about 2,000 Quebeckers of a provincial franchise.

Involved are whites, Indians and Eskimos of voting age in most of the vast northern territory of new Quebec, formerly known as Ungava.

These people, except for residents of Schefferville and Fort Chimo, cannot vote in a provincial electoral riding.

They can vote federally in the riding of Saguenay but although they pay taxes to the province they are not yet represented in the Quebec legislature.

Several have complained to the tax appeal board of taxation without representation while the government works out a solution to a sensitive situation.

1927 DECISION

An official disclosed that if Quebec created a new riding in new Quebec without including Labrador the move would tend to undermine Quebec's claim on the disputed boundary.

Quebec does not accept as valid the British privy council decision of 1927, awarding Newfoundland the 110,000 square miles of Labrador wilderness.

Premier Daniel Johnson has established a four-man commission to examine the "territorial integrity" of Quebec, particularly the border with Newfoundland.

Chairman of the commission is Henri Dorion, a geographer from Laval University who argued in a 1963 book that the privy council decision is legally invalid.

[*Translation*]

Mr. Chairman, as I said earlier, I wanted to let the house know about that communication. I have here the federal employees' request which reads as follows:

[*English*]

As residents of the province of Quebec, we feel that we are the victims of an iniquitous situation and we would therefore like to enlist your assistance.

We are residents of a community in the far north of the province, and as such are levied all the provincial taxes such as income tax, sales tax, gasoline tax and so forth.

However, the government of Quebec has not seen fit to establish an electoral district in this area in order that we as bona fide residents of the province have the right to vote in provincial elections.

We have made previous attempts both personally and collectively to obtain satisfaction on this matter, with no results. In this connection we attach a copy of a letter dated April 24, 1967 which we wrote as a group to the Income Tax Appeal Board in Ottawa, copies of which were forwarded as noted thereon. We received a reply from this board dated May 2, 1967, which stated that the board had jurisdiction solely to hear appeals against income tax and estate tax, and that the matter raised in our letter was not within its jurisdiction.

The federal member for Saguenay, in whose federal riding we fall, contacted the Minister of National Revenue on the matter; we have received copies of the minister's reply to Mr. Blouin, wherein he stated that the matter was outside the jurisdiction of his department.

We have received nothing from either of the other recipients of copies of our letter of April 24.

As mentioned above, we have also been pursuing this question upon an individual basis, and we attach further a letter received by one of our group from the chief ruling officer of the provincial department of revenue dated May 16, 1967. As you will see from the third paragraph of this letter, the provincial department has ruled that the fact of residency is the deciding factor in taxation, not the right of representation. We feel that this is a point of doubtful moral legality, with its inference that we must pay all taxation without voice in the management of our affairs.

This letter goes on to state that "every resident of the province of Quebec is entitled to every benefit that the law may grant". In this community, we receive no provincial benefits whatsoever; all community services such as education, roads, power and medical treatment are provided by the federal government.

We must emphasize that we have no objection to the payment of taxes per se. Indeed, we are merely using the fact of taxation as a vehicle for our protest. Our contention, which we must reiterate strongly, is that it is a situation of the utmost gravity in this day when a group of people can be denied the right to vote regarding the disposition of their affairs.

Quebec and Canada draw their heritage from two of the world's oldest democracies, England and France. England won the right of representation in 1215, and France in 1789. Surely, with this great heritage, we, residents of New Quebec in 1967, cannot accept this present situation without protest.

Here is the protest from the federal employees working in the far north. I had thought I would bring this matter up while we were studying the estimates of the department. Although, as I said before, this matter is under provincial jurisdiction, it is a big problem and I think something should be worked out in collaboration with the provincial government because there is absolutely no sense in the fact that in 1967 the people, even those working in the far north, should be deprived of the right to vote, which is so dear to every Canadian.

Mr. Bell (Saint John-Albert): Mr. Chairman, I will limit my remarks in an effort to try to show some progress this afternoon. I merely want to refer to the use of the parks

in the winter time. I am particularly interested in the Fundy national park in my constituency, but my thoughts might also be applied to the other maritime parks. I know that some work has been done in this field, but I feel that the department should conduct a full survey. I hate to advocate another investigation or survey for any department of the government, but I feel the time is approaching when we need a full investigation of the parks, particularly of the Fundy national park, in so far as any possible winter use is concerned.

• (4:40 p.m.)

The park is a big thing for the area of New Brunswick in which Fundy is located. It is a tremendous hardship upon those who are dependent on the park to have a complete shutdown in September when the tourists leave. I know there are difficulties connected with winter operations. Someone asked "Do you have any visitors to Fundy national park in the wintertime?" The residents replied, "The only visitors we have are the moose that walk up and down the main street". It is that bad.

I know we investigated the possibility of opening a ski resort there a year or two ago, but it was found that would not be highly profitable. I suggest that the way people are moving around to different areas in the wintertime it might be possible to plan a skiing, curling and snowmobile resort. These things are very popular. I hope the minister will consider this appeal and have a through investigation made, during which the inhabitants will be consulted about the possibilities of the winter use of Fundy and other maritime parks.

My other thought concerns the new legislation. I believe the minister agrees with the thinking in New Brunswick in this regard. I have read one or two of his speeches and they seem to indicate quite progressive thinking. We have this park in New Brunswick which is, after all, the second smallest park. We need extra territory, and I suggest a coast line area so that we would have some beaches. This is one reason why the new legislation is necessary. I am not asking for a second national park in New Brunswick. There seem to be two points of view in the department in this regard. I hope that, in the light of the way the minister is thinking, Fundy national park will acquire additional areas along the coast line. This would give us an opportunity to have the Fundy vacation trail, and some beaches which we do not have now.

[Mr. Bell (Saint John-Albert).]

In closing, may I say I hope that, although I realize the minister has many other problems in his big department, he will not give the impression of not being as interested in the parks as he is in other branches of his department. I have been connected with this park in New Brunswick for 15 years. This is a sort of swan song because I am losing that area under redistribution. I was not around when the park was originally set up, so I cannot claim credit for that.

However, it has been a source of pride to visit the park each year and see the way it is progressing. During the time the Conservatives were in power they emphasized a scheme of winter works and park expansion. Some of this work has been continued but the impression is—I say this to the minister because I know he is a good politician and will want to correct it—that there has not been the same interest in the development of the park under the present administration. This may mean more money, and I suppose we will have to go along with that. The role of the park is changing. The length of stay for each visitor has gone down from 2.7 to 2.3 days recently. Quite a number of these commercial people have improved equipment, and I do not think we need to spend the money which we used to spend. I hope the minister will continue to foster interest in this family recreational park of Fundy.

I hope it will be possible for the parliamentary committee to visit the maritime parks now that they have that northern visit under their belts. I for one would welcome them to Fundy park in New Brunswick and would show them some of the delightful activities that can be undertaken there. For the information of members, a new branch of the liquor store has been opened in Alma, the heart of Fundy park, which indicates how progressive we are.

Mr. Badanai: Having served as chairman of the committee on northern affairs and national resources, having had the privilege of leading 22 members of that committee on a two week visit to the north, from the eastern to the western Arctic, and having held hearings in western national parks, I feel I should say a few words of commendation to the minister for his very co-operative attitude. He has appeared before the committee at various times and given every bit of information asked of him, which was most useful to the committee. I should like also to express deep appreciation to the deputy minister and assistant deputy ministers for their assistance in

guiding the committee through their examination of the estimates, and for the arrangements made for our visits to the north and to the national parks.

I should like also to congratulate the minister upon his presentation of government policy in connection with national parks with which, notwithstanding some opposition to it, I heartily agree, and believe to be a policy which is acceptable to the overwhelming majority of Canadians. I heard the hon. member for Brandon-Souris make a very useful and classical presentation here this morning on this particular subject. We agree on many things, but there are one or two points concerning the leasehold proposition which may be debatable.

During our visits to the parks numerous presentations were received from many segments of our society regarding all aspects of park policy. Among all the submissions we received, there were several commending the government for its policy. I am not going to quote them all, but I am going to quote from the submission of the National and Provincial Parks Association of Canada. On page 8 of that submission, I find this:

> As I realize your committee is concerned with the policy as it affects leases, I shall say a word about this.
>
> We have studied both sides of this question to the best of our ability and have read statements by both Mr. Laing and the organized leaseholders.
>
> It is most regrettable that the controversy over this issue has generated such extreme bitterness and ill will. In our view, this came about more because of a breakdown in communications than from any real objection to the government's policy per se.

Without going into the question of the legality of the government's proposals, there is no doubt in our minds that there is need for the crown to control leases more effectively than in the past in the interests of the Canadian people as a whole and taking into consideration the enormous and growing pressures on the use of parks. The idea that individuals should have the right to hold leases on cottages or summer homes in either national or provincial parks for their private use and enjoyment, no matter what the justification for it in the past, is an anachronism in this day and age. Doing away with such leases is a problem which some of the provinces have already faced up to. Ontario, for example, has for some time now been withdrawing leases as they fall due on cottages and commercial properties in Algonquin park. We support the government's policy to have eventually only those persons engaged in the administration of a park or the supply of necessary visitor services, and their dependants, as permanent park residents.

• (4:50 p.m.)

We urge most strongly, however, that everything possible be done to avoid causing hardship to those affected by this new ruling. We are quite sure that the government intends to be fair, and will be fair in carrying out this policy. In view of the difficulties that have arisen with regard to leases, we believe that the government's proposal to set up a crown corporation to deal with this matter in future deserves consideration. Its terms of reference and the composition of its board of directors will need to be given most careful study, however, if the corporation is to function effectively and its influence kept within bounds. Great care will have to be taken if the corporation is established to see it is not able to wield power for which it does not have to account; nor must its powers enable it to influence policy in areas other than leasing. In other words, it must be an instrument for carrying out policy, not creating it.

A little bit of history may be appropriate at this point. When the first national park was established there was discussion in the House of Commons over proposed lease terms. Provision was made to grant leases for terms of 42 years with provision for repeated renewal—in other words, in perpetuity. Due, to a very great extent, to the very large capital expenditures by the federal government and to the enormous increase in park visitors, especially in recent years, the value of leasehold property has been greatly enhanced. As a result, sales of leasehold interests have often been made involving exorbitant profit to the leaseholder with no commensurate return to the landlord—the citizens of Canada. Today there are approximately 2,500 leases and licences of occupation in existence. Seventy per cent are old leases containing renewal clauses on expiration of each 42 years. Fourteen per cent are for 42 years, with provision for a single renewal for 21 years. The remaining 16 per cent have been issued since 1962 and are for 42 years or less without provision for renewal.

In all leases, the crown reserved certain rights, such as the prohibition of assignment without the written consent of the minister, and the right to review periodically the rent charged and to charge a rent equal to the annual value of the land.

The objectives of the national parks system are, first, to ensure the national park lands

are passed on to future generations; second, to provide for the best use of the national parks consistent with their intended purpose; third, to serve the people in an effective and meaningful manner by helping them to understand and enjoy the parks; fourth, to encourage private enterprise to invest in and manage appropriate facilities for the visiting public inside and adjacent to parks, complementing governmental developments; and fifth, to expand the system adequately in every region of Canada.

I realize that among the many submissions we received from the residents of Banff and Jasper there may be some whose cases may deserve some special consideration. I am sure the minister is only too happy to take their cases into consideration.

Before I leave the question of national parks I would like to recommend to the minister that some serious consideration be given to the establishment of a national park in the lakehead region, where a beautiful chain of mountains, known as the great northwest, are situated almost at the gate of Fort William.

I have indicated to the minister the desire in this respect of the lakehead chamber of commerce, enthusiastically supported by the publisher of the *Daily Times-Journal* of Fort William, whose name is George Macgillivray, a member of the clan of Sir William Macgillivray, a governor of the Hudson Bay port in Fort William, after whom the city was named.

I am grateful to the hon. member for Prince Edward-Lennox for his kind remarks and for giving us a comprehensive and interesting report on the visit of the committee to the Canadian Arctic. His assessment of our visit demonstrated the co-operative and friendly spirit which animated every member of my committee.

Just a few words about the north, Mr. Chairman. During our visit to the north the committee held meetings at every point, from the east to the west, and the report which was presented to the house last September reveals some of the problems the remedying of which should present no difficulty to the government. One of these was the matter of radio and television, which the minister has indicated today will be taken care of gradually beginning with the T.V. station at Yellowknife.

One thing which was brought to the attention of the house by the hon. member for the Northwest Territories during the throne speech debate was the provision of water and sewage services to the west end of the town of Inuvik, as the centre and east parts of the town are already serviced by utilidors.

There are many other questions that I could touch upon, but I see that there are other members anxious to speak on these estimates and I will therefore not prolong my remarks, except to say that the committee has served a useful purpose by visiting the far north and the western national parks, which now leaves the need for a visit to the eastern national parks which I hope the house will authorize to be made this fall.

The Chairman: Order. It being five o'clock, and in order that the house may proceed to the consideration of private members business, shall I rise, report progress and request leave to sit again at the next sitting of the house?

Mr. Laing: Mr. Chairman, would you permit me to make a suggestion. I thought that if we could possibly conclude the estimates of my department this afternoon there might be some inclination on the part of members of the committee to forgo private members hour on condition of course that the time would not be lost but would be picked up again later. That is just a suggestion I make. On the other hand, if members would indicate that they want separate items brought up on another day, probably we should go over to private members hour. However, I thought that if there was a chance of concluding the estimates there might be some merit in continuing.

The Chairman: If there is any inclination on the part of members of the committee to continue with the estimates of this department, I think this should be discussed with Mr. Speaker in the chair. To do otherwise would be to dispense with a standing order of the house.

Progress reported.

• (5:00 p.m.)

BUSINESS OF THE HOUSE

Mr. Rapp: Mr. Speaker, I object to the suggestion of the minister. Our party has two speakers who wanted to speak, but we cannot get in touch with them now. I am afraid that I cannot agree to the minister's suggestion. Had we had notice of his intention we could have got in touch with those two speakers.

Mr. Barnett: With respect to what was said by the Conservative whip, we could agree to going on with the estimates in place of the

private members hour, but that should not be taken as implying that we would agree to finishing the consideration of the entire estimates. Possibly we might finish discussing item 1. I do not know if my suggestion would meet the requirements of the Conservative whip, but if we completed item 1 we might leave the consideration of the other aspects of the administration of the department and its branches to another day.

Mr. Rapp: Let item 1 stand.

Mr. Dinsdale: Is it the suggestion that we continue with the estimates, rather than proceeding with private members hour?

Mr. Laing: That is a suggestion.

Mr. Dinsdale: Unfortunately the minister's suggestion came unexpectedly. One or two members of this party wish to speak on the first item, and I think it would be only fair to them to leave that item open, to allow those hon. members who had wanted to talk on it the opportunity to speak.

Mr. Laing: In light of what I said at first, I think it would be better if the house proceeded to consideration of private members hour.

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

Mr. Pilon: Mr. Speaker, at the request of the government may items Nos. 1 to 5 on today's order paper listed under public bills be allowed to stand? Would Your Honour proceed with item No. 6, second reading of Bill C-9 to license and regulate the operation of rainmaking equipment.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

RAINMAKING EQUIPMENT

PROVISION FOR LICENSING AND REGULATION

Mr. Arnold Peters (Timiskaming) moved the second reading of Bill No. C-9, to govern, license and regulate the operation of rainmaking equipment in Canada.

He said: Mr. Speaker, the short title of this bill is a misnomer, because I am interested in legislation to deal with techniques which have recently been devised which affect the weather, and in that way constitute an interference with the weather enjoyed by individuals. It is suggested that in these days the weather can be influenced by technology, which involves seeding clouds by the use of silver nitrate and iodine crystals, as well as other crystals which mix with the clouds, thus causing precipitation. The theory is that these crystals have an affinity for water, and if they are released into the air, under certain conditions with appropriate temperatures the molecules of water in clouds are drawn together with the molecules in the crystals; heavier water molecules are created and these, in turn, fall to the earth in the form of precipitation.

It is debatable whether one can make rain, though this subject has been discussed on the estimates of the Department of Indian Affairs and Northern Development. I do not refer to the sort of rainmaking that the Indians engaged in with some success over the years. Hon. members may remember a court case on this continent that took place a few years ago, where the Indians were sued for large sums of money for causing a catastrophe by making rain. The Indians were hired to make rain; they were hired to make a reasonable amount of rain and the rain came, but it kept coming and coming. Eventually there was a flood and the Indians were sued because of the calamity that developed. Whether such a thing is possible I do not know, but I do know that it is possible, from scientific advances, to change atmospheric conditions so as to produce rain. Rain may be produced, provided other conditions are suitable.

Several departments of the provincial governments of Ontario and Quebec have been using rainmaking equipment to help to prevent forest fires. In Ontario, especially, a great deal of discussion has taken place in certain communities about the question of rainmaking. Several years ago the housewives of the Lake St. John area complained that, because of certain activity by the Department of Transport, they had not been able to dry their clothes for 60 days. In that period the sun never shone and it rained every day. The transport department at that time were conducting tests to determine the efficiency of rainmaking equipment in that area. The surprising thing is that when this activity stopped, after the housewives had complained, the weather cleared, the rain disappeared and fair weather followed immediately.

Hon. members may also remember what happened when the Ontario government used rainmaking equipment to solve some problems that farmers experienced. At that time there was a motion to adjourn the legislature

under the special section which calls for the consideration of an immediate national problem. There was discussion about the drought which had been recurring over a period of years in the Renfrew area. The provincial government, to solve the difficulty, finally authorized $250,000 to be spent to hire a United States firm of rainmakers. It will be remembered, Mr. Speaker, that the firm brought its equipment to the Ottawa valley and—this may be taken as coming from Ripley's "Believe it or Not"—on that very day, when the matter was being discussed in the legislature, the rain began. The equipment was operating, though the company said that it had not influenced what happened on that day.

• (5:10 p.m.)

The house may remember that the farmers were again in difficulty later on because the rain did not stop once it had started; they found themselves facing, not drought but an overabundance of moisture. Whether or not the rain making equipment in use today achieves the results which the farmers allege, I cannot claim to know with any certainty. In many of the areas where this equipment has been used the farmers claim there is a "yo-yo" effect; the crystals are sent into the air by the use of a heat generator; they are carried by the clouds for a period before rain is produced, and then they fall back to the earth along with the rain. There are farmers who say that as soon as the sun comes out the crystals warm up, become lighter than air and rise into the clouds causing rain to fall again.

I know that in my own area where this equipment was used extensively some years back, no cloud passed over without some precipitation falling, even though in some cases it was very little. The department of lands and forests has been using these methods for some time, with limited success, as far as I know. The difficulty appears to be that after a cloud has been seeded the wind can change and the rain can fall where it is not needed.

This is what happened when the department seeded clouds for the purpose of dampening down forest fires. The prevailing wind changed and rain fell on agricultural land where it was not needed. This lack of assurance that rain will fall where it is intended to fall is another factor which affects the need to licence rain-making equipment. If this was a skilled science, as some of the companies operating this equipment would have us believe, it would be possible for a man to seed clouds in such a way that rain would fall on his neighbour's property. This is not possible. It is all too likely to fall on his own property or on the wrong neighbour's property. This is not a field where provincial jursdiction is applicable. The winds know no boundaries and the results of this rain making are interprovincial in scope. For this reason I believe the federal government should assume responsibility for the control of the equipment used.

I am not proposing that rain making equipment should be prohibited. What I am proposing is that it should be licensed so that the government would have a measure of control over those who operate it and where it is used, in order to be in a position to judge whether rain falling in a given area had been brought about by those who were operating these machines and who might therefore be responsible for any damage caused to other parties.

In the example I gave, equipment was being operated in northern Ontario by the Ontario government's department of lands and forests. Damage was caused to agricultural communities which had no connection with that department at all. After it had been assessed the federal government had to make grants to assist farmers who had lost crops because of the continuing rain. The Prime Minister (Mr. Pearson) was in the area at the time—an election was in progress—and he promised immediate relief to those concerned. Incidentally, this was not forthcoming. Indeed I wonder whether the federal government really had any responsibility; the fact that the provincial government took certain action is no reason for the federal government undertaking to pick up the tab.

The simple purpose of this bill is to licence, rainmaking equipment, thus allowing for records to be kept and the consequent assessment of any damage which might be claimed. Hon. members may say that this is not the responsibility of government. I would point out to them that in many parts of the country it is necessary to obtain a fire permit before burning any cover or brush during certain periods. A permit is required so that if a fire gets out of control the man responsible for it may be held liable for any damage caused.

There is not much difference between this and the circumstances I have been discussing. I believe everyone who has studied this subject agrees that it is possible to cause rain to fall in certain conditions. Provincial governments are certainly aware of the technical advances which have been made, otherwise they could not pay for rainmaking services

and equipment. Incidentally, when I talked to the minister of agriculture down in Ontario he told me they did not know what to do about the drought in the Renfrew area and had hired rainmaking equipment as a last resort. A year later he told me his department had still not been able to assess whether $250,000 of benefit had been received from that equipment or whether rain would have fallen anyway. But in order to satisfy the public and keep the farmers off their backs the department had undertaken this expense, with considerable success, it would appear; in fact it was greater than anticipated and, in the end, became a liability.

I know that some hon. members will take lightly this idea that rainmaking equipment should be licensed. Perhaps they have not looked into the technical aspects of this operation. If they do, they will probably be as interested as I am in some of the things which the professors and technicians have been accomplishing in this field. As I say, there is general agreement that in certain conditions rain can be induced to fall from clouds which otherwise would not have released rain in a given locality.

• (5:20 p.m.)

I think that most members, if they really think about the situation, will agree that the licensing and regulations which the government should establish around rainmaking equipment and which would be to the advantage of those operating the equipment and those who are paying for the use of the rainmaking equipment, would eliminate the valid objection by other people to the making of rain with this type of equipment. They will know that there is an avenue open to them to ascertain whether or not the equipment itself has been responsible for the creation of their damage and that there will be an opportunity for them to claim compensation for any damage caused to them as a result of the use of this equipment.

I do not expect that this bill will be passed today. We do not usually pass private members bills. I do suggest, however, that hon. members who are interested in agriculture, forestry and in fact in any control over our natural resources should be interested in the bill. I certainly would be pleased to support any government legislation which may flow from what I think is a new problem and one which will grow considerably with the technical advances that are being made in this particular field.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I am a little surprised that other members of the house are not in a rush to speak on this very interesting subject. I should like to say a few words in support of the bill which has been brought before us by the hon. member for Timiskaming (Mr. Peters). I was rather interested in the situation which developed in eastern Canada a while ago when the authorities of the province of Ontario undertook a program of seeking to induce rain by means of cloud seeding equipment. A few years ago similar events took place in the province of British Columbia, in the area of Canada which I represent in this house. At that time the then B.C. power commission and also the then Powell River company installed silver iodide generators for the purpose of inducing rainfall into the watershed areas which provide the source of supply for the dams for power purposes, in the case of the B.C. power commission, and for the supply of water for the production of pulp and paper in the case of the Powell River company.

So far as I know I was the first member ever to introduce this subject on the floor of the House of Commons. At least I had that impression from a discussion I had afterward with the then minister of justice, Hon. Stuart Garson. I may say, as a result of having raised this matter for the first time, among certain members of the house I was unofficially known by the nickname "Rainmaker". It was the then hon. member for Vancouver-Burrard, Mr. Jack MacDougall, who tagged me with that label. He was rather fond of giving nicknames to members.

I should like to say that I raised the matter as a question which should receive consideration by the government because I expected, if this development continued, that the kind of problems which have been raised by the hon. member for Timiskaming in his speech, concerning the right of a certain individual or a corporation to take action which might affect the rights and well being of others, would arise.

I remember that I used the example of the farmer who had his hay out in the fields to dry when the B.C. power commission decided to precipitate rain in that particular area. In my view the potential infringement of the rights of the farmer was there. One question of course which immediately arises in a consideration of this kind, in a federal state such as ours, is as to where the jurisdiction lies. Is it a federal or a provincial matter? I argued

then, and I argue still, that certainly the weatherman knows no provincial boundaries and that the conditions which create weather conditions, be they rain, sunshine, drought or flood, certainly are not confined within the boundaries of any individual province. It seems to me therefore that any legislation in this field probably lies within the jurisdiction of the federal authorities.

I think the proposal of my colleague that this regulation, through licence, should come under the jurisdiction of the Minister of Transport, is an appropriate one, because as we all know the meteorological services which would provide the basic data on which to base any control or regulation come under the jurisdiction of the Department of Transport. It is for that reason I believe this bill should receive serious consideration. I know there are questions which remain concerning the technical or technological efficacy of the various devices which have been used for cloud seeding, be they devices operated from the ground or devices used from airplanes in dispersing the silver iodide crystals which I understand are the generally used medium for helping the formation of the kind of water droplets which become heavy enough to be precipitated to the earth in the form of rain.

All too often it seems to me we have a tendency to lock the barn door after the horse has been stolen, as the old saying goes. In other words, in this chamber, we are not moved to the point of legislating until a situation involving serious damage or trouble has occurred. In view of the fact that we do know that there are established business concerns which are in the business of providing this service, and in view of the fact that we do know that provincial authorities and publicly owned corporations such as the B.C. power commission have taken this seriously enough to actually engage business firms to carry out this type of operation, it seems to me it would be quite appropriate that we should not be reluctant to agree to provide to a responsible jurisdiction control and licensing over such operations.

It is for these reasons that I thought I should like to say a few words in support of Bill No. C-9, which has been put before us by the hon. member for Timiskaming.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, there is a story that a Russian meteorologist by the name of Rudolf was lecturing on the subject of rainmaking one evening when a member of the audience turned to his wife and said, "Rudolph, the red, knows rain, dear".

Some hon. Members: Hear, hear.

• (5:30 p.m.)

Mr. Deachman: I want to say that having listened to their able addresses, it is apparent the two gentlemen opposite also know something about rain. Being a member from the city of Vancouver I have some slight acquaintance with this subject as well.

I enter this debate this afternoon not because I am an authority on rain making, and indeed not because I have prepared myself to address the house on this subject, but because—

Mr. Knowles: Because you were drafted.

Mr. Deachman: —I was drafted in the absence of another member, who I am sure, if he were here, could deliver a very, learned lecture on this subject. He left me an abundance of papers and I should like to deal with them for a few moments because they cast some interesting light on this subject.

When we discuss a technical subject of this kind in the house during these last hours of the week, and if the subject is technical enough, some executive assistant is asked to go back and dig out the material that has been put together by experts of various departments in order to deal intelligently with the subject. In this way he can outline to hon. members what the government is doing and what the policy may be. In this particular case the government takes the subject quite seriously, and a considerable amount of work has taken place in the Department of Transport and in the meteorological branch in an attempt to follow the experiments of the emerging science of cloud seeding, and its importance in influencing rainfall. It is interesting to note that some of the material which has come into my hands as a result of drafting this effort this afternoon indicates the amount of material which is available to us on this subject.

I have a memo from which I should like to read a few sentences, because it helps to shed some light on the background of this subject. In part it states:

> From 1959 to 1963 inclusive, a precipitation physics project was carried on by the meteorological branch of the Department of Transport in the Rouyn-Noranda area of the province of Quebec.

That is an area in the neighbourhood of the riding of the hon. member for Villeneuve (Mr. Caouette). Members will recall that during

the last session of parliament this subject seemed to frighten the living daylights out of that gentleman from time to time, probably because he thought that the opposition was attempting to bring down thunderclouds on his head.

The memo then goes on to state that an aircraft was fitted out with instruments for taking physical measurements of precipitation mechanisms, and at the same time to conduct an investigation to evaluate the effect of cloud seeding. The memo states:

> Two areas in Quebec, along the border of Ontario in the vicinity of Rouyn-Noranda, were chosen for these cloud seeding experiments. The areas were approximately 35 miles square and 35 miles apart... On suitable occasions, clouds already producing rain upwind of one of the test areas were seeded with silver iodide. The clouds upwind from the other area were not seeded, so that a comparison could be made of the rain that fell in the seeded area and that which fell in the unseeded control area.
>
> From 1959 to 1963, 54 cloud and rain situations were seeded with silver iodide. Seeding was carried on for a total of 173 hours and 19 minutes. Forty five of these cases were found suitable for analysis, and the rainfall from these situations was compared statistically.

The memo then goes on to say:

> However, it appears that the chances of making large changes in rainfall by this method are very slight. As expressed by the statisticians, the probability of an increase or decrease in rainfall greater than 22 per cent was found to be less than 1 in 20.

There appears to be something less than a good chance of making rain, not even great enough to frighten the nervous member for Villeneuve. The memo then continues:

> Because of the large natural variability of rainfall it was found to be impossible to be more precise about the effects of seeding. These results are similar to those found in most other carefully controlled tests of cloud seeding such as have been carried out in Australia and the United States.

That was not an isolated expression of an attempt to gain knowledge by the Canadian meteorological department on this subject. There is a considerable amount of information on the subject contained in government pamphlets, samples of which I have. The first was dated December 1, 1965, under the title "Cloud seeding to influence rainfall—it's importance and present status" written by C. L. Crozier and J. D. Holland. It is interesting to note in this particular pamphlet that experiments have been going on all around the world regarding this very interesting subject. Field experiments have taken place in Argentina and statistical evaluations have been made there.

Since 1947 Australia has been undertaking fundamental studies of physical processes occurring in clouds. In France about ten French organizations are working on various facets of artificial weather modification, closely related with basic cloud physics studies. Israel has conducted field experiments and laboratory studies on artificial cloud modification for many years. After a number of years of experiments, Italy has now begun a program which is attempting to solve, on a practical basis, the problem of control and evaluation of the results of seeding cumuliform clouds. Two groups in Japan with weather modification interests have experimented with ground based and balloon borne silver iodide generation, and experiments are being carried out in Mexico as well as in the U.S.S.R. and in communist China. There is also a considerable amount of experimentation taking place in the United States. From all this one can see that there is interest throughout the world in this subject.

In view of this great interest throughout the world perhaps the time has come, as the hon. member suggested today in introducing his bill, to think in terms of what may be needed should rainmaking become a science through which it is possible to precipitate moisture in sizable quantities under control. If this could be done all sorts of problems might be created in relation to when, to what extent, and through which company, corporations or municipalities, rain should be created.

This bill is perhaps timely because we should give some thought to this subject and keep in touch with the experiments that are being made in this field. Perhaps it would be a good idea to have the subject matter of this bill referred to the transport committee. That committee would then have the opportunity of calling upon government experts and outside witnesses in order to gain some comprehension of what is involved.

• (5:40 p.m.)

Mr. Speaker, I hear some thunder now.

Some hon. Members: Oh, oh.

Mr. Deachman: The noise of thunder points up my remarks. Not so very long ago we began worrying on an international scale about regulating the use of outer space. If we are seriously considering such matters as regulating outer space, it is perhaps high time we began thinking in terms of regulating the moisture in the clouds which hang over our heads.

Licence for Rainmaking Equipment

There is another aspect of making the earth fertile that will undoubtedly come to us more quickly than rainmaking. I think that making the land fertile will come in the movement of rivers and with irrigation projects generated therefrom. I believe this is a field we should be studying concurrently with such matters as rainmaking, because it is becoming more and more important to learn how to govern the water and moisture available to us in a world increasing in population and aridity.

One of the things you notice when flying westward over old Toronto is the way in which the forest has been denuded. The land now appears quite arid. This is especially so in midsummer. I am sure that in our fathers' and grandfathers' time this condition did not exist. There was then much swampland, much forestland, and the temperature and humidity were different because of the tree coverage and the retention of moisture therefrom. As we fly over and look down at the great lakes we see around the rim of the lakes the receding shoreline and the evidence of widening beaches. We then realize that the water tables of the continent are sinking as a result of decreasing forest cover, swampland and the moist areas which the forests retain. I think this should be an important part of our studies in learning to husband the resources of water on this continent.

We in the west are very concerned about these matters because we have the privilege of living in an area of a great amount of water and see to the south, in the arid desert land of the United States, people who would like to move this water into their areas in order to water the deserts and make them green. When one considers the Middle East problem which faces this house today I think you will find that a great deal of the problem arises from their difficulties with regard to water and moisture, the subject we are talking about today. We find that the nations experimenting with rainmaking, all forms of irrigation and methods of producing moisture for their lands—this is the case in the Middle East—are very much worried about how they will cultivate the soil for their increasing populations.

This is a very all-embracing and important subject. It is one to which we in the House of Commons should address ourselves in several ways. Even as a pinch-hitter this afternoon, with no expertise on the subject, I realize, as I think all hon. members do, that this question is vitally important to us and deserves serious consideration.

[Mr. Deachman.]

Mr. Knowles: Question.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, we have heard speeches from the hon. members for Timiskaming and Comox-Alberni (Messrs. Peters and Barnett) which provided us with valuable and enlightening information with regard to a matter which deserves our most serious consideration.

That is the reason why I thank the hon. member for Timiskaming for raising this problem in the house; indeed, on several occasions, it was a source of deep concern for many people living in various ridings across the country.

In 1964, we remember that an hon. member had called the attention of the authorities on the problem caused by what it was agreed to call rainmaking equipment, and we shall remember also a particular debate which took place in the house, in an attempt to clarify this really serious problem.

It is too bad that the members of the official opposition, the members of the Conservative party, do not see fit to take part in this debate. Of course, when it comes to technological evolution and scientific contribution, our friends, the Tories, are outclassed.

When it comes to fight to keep the word "Dominion" they are all there. When it comes to fight in order to keep part of the Union Jack on our flag, they spare no effort. But when the real problems of society are involved, when it is time to consider scientific progress, a problem in which our younger generation is keenly interested rather than in the survival of obsolete symbols recalling certain parts of our history, the development of which we hope for, in some respects, since our country is developing when it is a question of science and technology, this is beyond the Conservative party.

I congratulate the members of the New Democratic party and my Liberal colleagues on their fine contribution to a debate held in a modern context. The year 1967 is the area of science and of technology. Obsolete symbols are no longer worth generating useless struggles which have so often hindered the progress of our country.

Mr. Speaker, the problem, as I said earlier, deserves to be studied thoroughly. We know that in the United States, for example, rainmaking machines are being investigated by the most brilliant minds, for it has been

proved that these machines can prevent hurricanes. Hon. members will remember the disaster caused by hurricane Flora in 1963, in which 7,000 people lost their lives and the damage was assessed at some 500 million dollars.

Scientific research has progressed to the point where, today, rainmaking machines may turn out to be the answer to the disasters caused by hurricanes.

Hurricanes which cause great damage are classified as such when winds are blowing at 75 miles per hour over a surface between 100 and 800 miles in diameter and last about 30 days. Now, Mr. Speaker, these "rainmaking machines" can prevent hurricanes and prevent irreparable disasters because crystals of silver iodide can penetrate to the very core of hurricanes and bring their course to an end. That is why a problem such as the one which is brought up today certainly deserves special study.

Doubtless, the hon. member for Timiskaming will say once more: Bills introduced by members are never passed and are never followed up.

I think, Mr. Speaker, that it is a little pessimistic to speak in those terms, because the idea has been put forward. It is practically impossible for the House of Commons to say that the bill must be passed immediately, without the project which might have far-reaching consequences being studied by a special committee or referred to experts in that field.

I think that the private members' hour is worthwhile. It makes it possible to put an idea forward and it also enables the administration, whether it is the cabinet itself, the bureaucracy or the officials at a lower level, to study the bill and implement it after the idea has truly taken root in the minds of those who are supposed to prepare legislation.

Therefore, I consider that it is unfair to say: members of parliament are there to prevent the passing of a bill. I do not think that is the case. Any hon. member knows very well that if he were, say, minister of transport, and at a given moment such a bill was before the house, he would be the first to say: I find this bill interesting, but before passing it as fast as the hon. member wants, the matter should be referred to experts in that field.

Therefore, I think that it is very pessimistic to denounce those who avail themselves of the hour to kill a bill, as we say commonly. I do not think it is killing a bill; on the contrary, it is taking it into consideration. The idea is brought up. The more the hon. member will bring up the matter, the more the idea will evolve and the more it will become likely to be accepted.

Mr. Speaker, I would now like to comment on clause 3.

• (5:50 p.m.)

[*English*]

Mr. Peters: May I ask the hon. member whether he proposes to refer this bill to the transport committee. If so, I am prepared to second his motion.

[*Translation*]

Mr. Choquette: Mr. Speaker, I am not in a position to give an opinion on the subject, because I am not a member of the transport and communications committee. And if members who sit on the said committee were here, I think they would be in a much better position than I to answer the question of the hon. member. That is why, unaware of the legislative program and of the work before the members of the transport and communications committee, I cannot say that I am in favour of having it sent immediately to the committee. If it were a matter concerning agriculture—I understand that there is a connection or let us say that it is indirectly related to agriculture because if rainmaking equipment is used abusively, the crops can be affected—and since I am a member of the agriculture, forestry and rural development committee, if we were studying a specific project dealing with agriculture, and if I were asked my opinion as to the development of a project within the committee, I would be in a position to answer in the affirmative.

Since I sit on the agriculture, forestry and rural development committee, I know what will be studied by the said committee. But since I am not a member of the committee on transport and communications, I think it would be bold on my part and perhaps even deceptive to say: Let us pass the bill now.

Mr. Speaker, before I conclude my remarks—

[*English*]

Mr. Barnett: Mr. Speaker, would the hon. member permit me a question? Would he be prepared to refer the subject matter of the bill to the committee on agriculture? If so, I would be pleased to second such a motion.

Licence for Rainmaking Equipment

[*Translation*]

Mr. Choquette: Mr. Speaker, if the bill were referred to the committee on agriculture, forestry and rural development, the hon. member, who has been sitting in this house for quite some time, should know that it would probably be considered out of order. But I do not agree that the bill should be studied by that committee. To my mind, the committee on transport and communications is the one that should study it, and if its chairman were here, I would encourage him, urge him to say yes.

However, I do not want to meddle with the responsibilities of the members of a committee on which I do not sit.

Before concluding my remarks, Mr. Speaker, I should like to point out a deficiency—

[*English*]

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, may I ask the hon. member a question? I do not think rainmaking has anything to do with either transport or communications. It may have something to do with agriculture, but it has still more to do with air, and the committee on broadcasting, films, and assistance to the arts deals with the air. Would the hon. member not agree that that would be the proper committee to which this matter should be referred?

[*Translation*]

Mr. Choquette: I think that if the hon. member were to read the Glassco report very carefully, as I did, I believe for my part—

[*English*]

Mr. Deputy Speaker: Order, please. Perhaps it is about time that the Speaker took to the air. 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, June 12, 1967

The house met at 2.30 p.m.

NEW MEMBERS

Mr. Speaker: I have the honour to inform the house that the Clerk of the House has received from the chief electoral officer certificates of the election and return of the following members:

Of Melville Bud Germa, Esquire, for the electoral district of Sudbury.

Of Aurélien Noël, Esquire, for the electoral district of Outremont-Saint-Jean.

[*Translation*]

NEW MEMBERS INTRODUCED

Pierre Caron, member for the electoral district of Hull, introduced by Right Hon. L. B. Pearson and Hon. Jean Marchand.

Aurélien Noël, member for the electoral district of Outremont-Saint-Jean, introduced by Right Hon. L. B. Pearson and Hon. Jean Marchand.

Andre Ouellet, member for the electoral district of Papineau, introduced by Right Hon. L. B. Pearson and Hon. Jean Marchand.

Jacques-R. Tremblay, member for the electoral district of Richelieu-Verchères, introduced by Right Hon. L. B. Pearson and Hon. Jean Marchand.

[*English*]

CANADA CORPORATIONS ACT

AMENDMENTS RESPECTING SHARE ISSUES, BY-LAWS, ETC.

Hon. John N. Turner (Registrar General) moved the first reading of Bill No. S-10 (from the Senate), to amend the Canada Corporations Act.

Motion agreed to and bill read the first time.

VETERANS AFFAIRS

MOTION FOR REFERENCE TO COMMITTEE OF VARIOUS REPORTS

On the order: Government Notices of motions:

January 9, 1967—The Minister of Veterans Affairs —The following proposed motion:—That the annual report of the Department of Veterans Affairs, the Canadian Pension Commission and the War Veterans Allowance Board for the fiscal year ended March 31, 1966, be referred to the standing committee on veterans affairs.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FENCE DAMAGE, PENAL INSTITUTION, SPRINGHILL, N.S.

Question No. 41—**Mr. Coates:**

1. Was the fence at the young offenders penal institution, Springhill, Nova Scotia, damaged in a wind storm and, if so (a) has it been repaired (b) if it has not been repaired, for what reason?

2. What was the reason for the damage to this fence, who will be responsible for repairing the fence, and what is the estimated cost of repairs?

3. What are the names of the individuals who carried out the investigation, and when were the findings of these individuals made available to the Solicitor General?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes; (a) repairs are underway; (b) not applicable.

2. An unusually severe storm caused the wire fence fabric to ice up, creating undue wind resistance. The Department of Public Works is presently having the fence straightened at a cost of $7,950.

3. The findings of C. D. Davison & Co., Halifax, were made available to the Solicitor General on April 4, 1967.

COSTS OF TAX COLLECTION

Question No. 59—**Mr. Saltsman:**

What has been the cost to the federal government for each of the fiscal years 1966-67, 1965-66, and 1964-65, of collecting the (a) federal income tax (b) federal sales tax (c) federal excise tax (d) federal estate tax?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): (a) and (d). The cost to the federal

government of collecting federal income tax and federal estate tax is not maintained separately. The combined figure representing the cost of collecting both of these taxes, the levy under the terms of the Old Age Security Act, and including the cost of collecting those provincial income taxes for which the federal government is the collecting agent is:

Fiscal year 1966-67 $46,936,000 (preliminary)
" " 1965-66 $45,454,000
" " 1964-65 $42,164,000

For the fiscal year 1964-65 only, an estimate is available of the cost of estate tax collection which has been calculated to be $1,524,000.

(b) and (c). It is not possible to calculate costs of collecting excise taxes separately from sales tax because these taxes are administered jointly, being applied under the same statute at the time of sale by manufacturers.

The following figures represent the cost of collection of domestic sales and excise taxes only. When these taxes are collected at Customs ports upon importation, they are collected in conjunction with customs duties; futhermore, they are small in relation to gross revenues.

Fiscal year 1966-67 $7,416,817
" " 1965-66 $6,324,524
" " 1964-65 $5,952,484

*FERRY SERVICE BETWEEN P.E.I. AND PORT HOOD, N.S.

Question No. 62—**Mr. Muir (Cape Breton North and Victoria):**

Did any members of the cabinet receive a resolution from the municipal council of the municipality of the county of Inverness, dated February 10, 1967, supporting a ferry service between Prince Edward Island and Port Hood, Nova Scotia, and, if so (a) which members (b) what reply was given by each member?

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): In so far as the Minister of Public Works is concerned, yes: (a) The Minister of Public Works, (b) That this was a matter for the Department of Transport. In so far as the Minister of Transport is concerned, yes: (a) The Minister of Transport, (b) Potential benefits of the service did not appear to justify the capital expenditures and operating subsidies required.

HIRING PROCEDURES, KEJIMKUJIK PARK DEVELOPMENT, N.S.

Question No. 70—**Mr. Crouse:**

1. What procedure is followed when hiring men and trucks for the Kejimkujik park development in Queens and Annapolis counties, Nova Scotia?

[Mr. Benson.]

2. Does Mr. James Smith of Harmony, Queens county, occupy a toll gate position of authority in the hiring of personnel in Queens county?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. Men are hired through the Canada manpower office in Liverpool, N.S. Truck rentals are obtained by tender calls.

2. No.

LABOUR FORCE CENSUS

Question No. 74—**Mr. Reid:**

1. What is the scope and nature of the labour force census taken by D.B.S.?

2. To what use is this information put?

3. How often is this census taken?

4. Has any consideration been given to taking it oftener, and (a) if so, how often would it be taken (b) if not, for what reason?

5. Has any consideration been given to taking this survey in five-year periods and, if not, for what reason?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. The 1961 Census of Population included the following labour force questions asked of persons 15 years of age and over: Did you have a job of any kind last week? (Even if not at work, or part time?) Did you look for work last week? Did you have a job at any time in the past 12 months? Number of hours usually worked each week? For whom did you work last week (or when you last worked)? What kind of business or industry was this? What kind of work did you do in this industry? Did you operate your own business or work for others in this occupation? In how many weeks did you work for wages or salary in the past 12 months? What was your gross wage and salary income (before deductions) in this period?

2. Census labour force statistics are used by federal and provincial government departments in assessing problems related to the labour force, particularly its under-utilization, and in developing and implementing manpower policies; they are used to measure changing labour occupation and industry mix, and as a guide to potential labour shortages and surpluses. They are used extensively in industry and universities for a wide variety of manpower studies and research.

3. A census including labour force inquiries has been taken in Canada on a decennial basis since 1871, in the years ending in "1".

4 and 5. A national population census was taken in 1956 and 1966 in lieu of censuses of

only the prairie provinces which were taken in earlier decades. Consideration was given to the inclusion of a number of labour force questions in 1966, but it was not possible in view of the commitments of staff resources to finish 1961 census special tabulations and plan for the 1971 census. The 1971 census of Canada will include questions on the labour force.

Current information on labour force activity is obtained from the monthly labour force survey, and results published in the monthly bulletin "The Labour Force", giving estimates of employment and unemployment for Canada and the five main regions of the country.

INTEREST ON POST OFFICE SAVINGS BANK DEPOSITS

Question No. 78—**Mr. Aiken:**

1. What is the current rate of interest on post office savings bank deposits?

2. Has there been any change in the interest rate within the past five years and, if not, for what reason?

Hon. Jean-Pierre Côté (Postmaster General): 1. 2½ per cent per annum.

2. No. The rate of 2½ per cent has been considered fair because interest on postal savings is calculated on a monthly basis. A depositor can make deposits or withdrawals at any savings bank post office in Canada without paying a service charge.

OVERPAYMENTS UNDER CANADA PENSION PLAN

Question No. 85—**Mr. Hales:**

1. What is the amount of the employers' overpayment to the Canada Pension Plan since the inception of the plan?

2. How many employers are involved?

3. What arrangements are being made to have this overpayment returned to the employers?

4. How much money was collected in overpayment by employees since the Canada Pension Plan was started?

5. How many employees were involved?

6. How much money was returned to the employees?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): 1. Unknown.

2. Unknown.

3. This problem is still under study.

4. Unknown.

5. Unknown.

6. Employees' applications are still being processed and will not be finalized for another six weeks. As at May 19, 1967, $4,579,808.05 has been refunded to the employees.

Note: Answers to questions 1, 2, 4 and 5 cannot be provided until all returns filed by employees have been processed and statistics related thereto accumulated.

LEAVE OF ABSENCE FOR SPECIAL ASSISTANT TO HEALTH MINISTER

Question No. 106—**Mr. Coates:**

Has William MacEachern, special assistant to the Minister of National Health and Welfare, been given leave of absence from the department to take part in the Nova Scotia election campaign?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. William MacEachern, special assistant to the Minister of National Health and Welfare, formally requested and was granted leave of absence without pay for a period totalling three weeks during the month of May.

PLEASURE CRAFT HARBOURS PROGRAM COSTS

Question No. 120—**Mr. Stefanson:**

1. What is the number of projects and estimated cost of same undertaken under the capital assistance for pleasure craft harbours program?

2. What are the number and estimated cost of projects by provinces?

Hon. G. J. McIlraith (Minister of Public Works): 1. Eleven projects estimated to cost $572,500.

2.

New Brunswick	1	$ 23,400
P.E.I.	1	28,600
Quebec	3	305,000
Ontario	2	30,500
B.C.	4	185,000
		$572,500

MANITOBA—PLEASURE CRAFT HARBOURS

Question No. 121—**Mr. Stefanson:**

Have any projects been undertaken in Manitoba under the capital assistance for pleasure craft harbours program and, if so, what are the descriptions of projects, locations and estimated cost of each?

Hon. G. J. McIlraith (Minister of Public Works): No construction project has been undertaken in Manitoba.

Questions

McBETH POINT, MAN.—HARBOUR FACILITIES

Question No. 122—**Mr. Stefanson:**

Are there any plans for improving the breakwater and harbour facilities at McBeth Point on Lake Winnipeg, Manitoba and, if so (a) what is the estimated cost (b) what is the nature of the work (c) when will this work be commenced?

Hon. G. J. McIlraith (Minister of Public Works): The possibility of constructing a timber cribwork breakwater is being considered. It is not customary to publish estimated costs before tenders have been received.

ST. LAURENT, MAN., POST OFFICE

Question No. 123—**Mr. Stefanson:**

During the past year has there been a change in the status of the post office at St. Laurent, Manitoba and, if so, does the government plan on constructing a federal building?

Hon. Jean-Pierre Côté (Postmaster General): No, there has been no change in the status of the St. Laurent post office which is still in that class of office where the postmaster, as a condition of employment, is required to furnish suitable and adequate premises in which to operate the office.

RELEASES AND RECRUITMENT, ARMED FORCES

Question No. 130—**Mr. Forrestall:**

1. By service, and rank, what has been the number of releases from the Canadian forces during the months of January, February, March and April 1967?

2. For the same period, what have been the recruitment figures for the three services for (a) commissioned ranks (b) others?

3. What was the strength of the Canadian forces at the first of each of the past 12 months?

Hon. Paul Hellyer (Minister of National Defence): 1.

Ranks (equivalent)	January 1967			February 1967			March 1967			April 1967		
	RCN	CA(R)	RCAF	RCN	CA(R)	RCAF	RCN	CA(R)	RCAF	RCN	CA(R)	RCAF
Lieutenant General			1									
Major General										3		
Brigadier		1	1		2			2	1			1
Colonel		3	1	1	1	7	2	2	5			1
Lieutenant Colonel		8	4	1	7	7	5	5	10		5	5
Major	10	11	19	5	11	21	7	9	13	8	8	11
Captain	4	17	37	5	9	46	4	18	24		14	19
Lieutenant	1	7	10	3	5	11	2	10	9	1	5	14
2nd Lieutenant				2				1			1	
Officer Cadet	3	77	36	10	30	11	18	29	26	4	27	30
Warrant Officer Cl 1	6	4	4	5	5	6	14	10	6	8	9	2
Warrant Officer Cl 2	11	11	4	13	5	9	13	20	14	6	24	12
Staff Sergeant	9	11	21	7	19	23	11	21	16	5	31	11
Sergeant	15	33	40	8	27	36	10	27	21	3	25	22
Corporal	24	54	56	22	45	31	12	59	40	17	46	50
Private	139	481	161	79	220	115	61	336	176	153	295	229
Soldier Apprentice		4			4			5			6	

Questions

2. (a)

	January 1967	February 1967	March 1967	April 1967
R.C.N.	6	54	1	6
C.A.(R)	12	103	71	6
R.C.A.F.	120	42	156	48
(b)				
R.C.N.	131	365	291	176
C.A.(R)	327	310	486	510
R.C.A.F.	287	439	682	360

3.

1 June 1966	106,681
1 July 1966	106,186
1 August 1966	105,335
1 September 1966	104,767
1 October 1966	104,449
1 November 1966	(Due to changeover of records to conform to introduction of new trade structure and pay rates, no figures were published for 1 November 1966.)
1 December 1966	105,366
1 January 1967	104,957
1 February 1967	104,533
1 March 1967	104,972
1 April 1967	105,584
1 May 1967	105,602

CANADIAN OWNERSHIP OF PROPERTY IN FRANCE

Question No. 136—**Mr. McQuaid:**

1. When the Canadian forces left France after the withdrawal of France from NATO did the Canadian government own any real or personal property in France?

2. If so, what is the estimated value of this property?

3. Has any arrangement been made whereby the Canadian government will be compensated for what has been left?

4. What is the amount of the compensation agreed upon?

Hon. Paul Hellyer (Minister of National Defence): 1. The question of Canada's interest in property formerly used by the Canadian armed forces in France is being studied at present in the light of related arrangements and agreements.

2. It is not possible to give an answer to this question pending completion of the study referred to in 1.

3. Not as yet.

4. Not applicable.

MINIMUM SECURITY INSTITUTION, P.E.I.

Question No. 138—**Mr. McQuaid:**

1. Have representations for the establishment of a minimum security institution in Prince Edward Island been received from the government of that province?

[Mr. Hellyer.]

2. Is it the intention of the government of Canada to proceed with the establishment of such an institution?

3. What progress towards this end can be reported to date?

Hon. L. T. Pennell (Solicitor General): 1. No representations for the establishment of a minimum security institution in Prince Edward Island have been received from the government of that province. However, a communication was received from the government of Prince Edward Island regarding the establishment of a maximum security institution in that province.

2. It is not, at present, the intention of the government of Canada to proceed with the establishment of a federal penal institution in that province.

3. Not applicable.

*FEDERAL GRANTS TO JOHN HOWARD AND ELIZABETH FRY SOCIETIES

Question No. 143—**Mr. Badanai:**

1. What was the federal government's contribution to the John Howard and Elizabeth Fry societies, by year, since 1960?

2. Is the government giving consideration to an increase in grants to enable these societies to carry on their functions of human rehabilitation?

Hon. L. T. Pennell (Solicitor General): The grants in each year were as follows:

	John Howard Societies	Elizabeth Fry Societies
1960-61	$ 93,100	$ 2,700
1961-62	97,300	6,000
1962-63	113,650	8,350
1963-64	103,475	7,450
1964-65	119,450	8,800
1965-66	154,404	9,450
1966-67	216,433	15,646

2. Yes.

EXTENSION OF FISHING VESSEL ASSISTANCE TO MANITOBA LAKES

Question No. 152—**Mr. Stefanson:**

Does the government now have plans to extend the fishing vessel assistance plan to make it available to inland fishermen including those on lake Winnipeg and other Manitoba lakes and, if so, when will this plan be implemented?

Hon. H.-J. Robichaud (Minister of Fisheries): Although the possible desirability of extending fishing vessel assistance in some form to inland fishermen has been discussed with the federal-provincial prairie fisheries committee no decision has been reached and there are not now plans to extend this assistance to fishermen on lake Winnipeg or other Manitoba lakes.

*BESTOWAL OF TITLE "RIGHT HONOURABLE"

Question No. 159—**Mr. Diefenbaker:**

1. Has the Prime Minister requested Her Majesty the Queen to give approval to the designation or title of "Right Honourable" being made available to any Canadian or Canadians although such person or persons are not members of Her Majesty's imperial privy council?

2. Has any order in council to such effect been passed?

3. If not, what is the authority on which such action is based?

4. Is it the intention of the government of Canada to deny Canadians hereafter appointment to Her Majesty's imperial privy council?

Right Hon. L. B. Pearson (Prime Minister): The answer to the first part of the question is that before the appointment of the present Governor General I petitioned the Queen to approve a change in the table of titles for Canada to provide that henceforth the Governor General of Canada shall carry the title "Right Honourable" for life.

The answer to the second part of the question is no.

The answer to the third part is, the change falls within the area of the royal prerogative in which the sovereign acts on the advice of the prime minister.

The answer to the fourth part of the question is, membership in "Her Majesty's Most Honourable Privy Council" is on the recommendation of the prime minister of Britain since it is technically the privy council of Britain. There has been no decision to deny Canadians appointment to the British privy council if at any time a prime minister of Britain were to wish to recommend such an appointment, just as there has been no decision to alter the practice by which United Kingdom citizens have, on occasion, been offered membership in the Canadian privy council.

POLICY RESPECTING PURCHASE OF CANADIAN PRODUCTS

Question No. 161—**Mr. Godin:**

Does Canada have a preferential policy as regards to the purchase of Canadian products, and what exactly is this preferential policy?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): The purchasing policy of the Canadian government is consistent with that of foreign governments concerning preferential treatment accorded to domestic industries. Canadian experience indicates that foreign governments direct procurement to their own industry or give their industry preference over Canadian suppliers, in some cases. Canada follows the same practice by giving preference to Canadian industry when there is a need to maintain a Canadian source for strategic reasons or when there is a unique capability in Canada, and always provided it is not necessary to pay excessive premiums in order to buy in Canada.

EMIGRATION OF PROFESSIONAL PEOPLE TO U.S.

Question No. 167—**Mr. Orlikow:**

How many Canadians scientists, research workers, engineers, university professors, and medical doctors left Canada to work in the United States in each of the past three years?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Com-

merce): Immigrant professional workers admitted to United States whose last residence was Canada.

Occupation	Year ending June 30 1964	1965	1966
Scientists	163	196	159
Engineers, professional	789	892	852
Professors and instructors	125	132	158
Physicians and surgeons	440	380	393

Note: Research workers are not listed as a separate classification.

Source: United States: Immigration and Naturalization Service, Department of Justice.

PER CAPITA DEFICIT IN BALANCE OF PAYMENTS WITH U.S.

Question No. 171—**Mr. Allard:**

In 1966, what was the per capita deficit of Canada in the balance of payments with the United States?

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): Canada's net purchases from the United States of goods and services (including investment income) during 1966 amounted to $1,982 million. Canada's population in mid-1966 was estimated to be 19,919,000 and Canada's net per capita balance of payments deficit on current account with the United States was accordingly equivalent to $99.50.

[*English*]

FOREIGN INVESTMENTS IN CANADA AND CANADIAN LOANS OBTAINED ABROAD

Question No. 178—**Mr. Allard:**

1. What was the value of foreign investments in Canada in 1966 and 1967 and where did they originate?

2. For 1966 and 1967, what was the value of the loans obtained by Canada's municipal, provincial and federal governments and Canadian commercial firms on foreign money markets and which foreign markets made these loans?

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. The book value of long-term foreign investments in Canada at the end of 1964 was $27,354 million. This was made up of investments of $21,443 million by residents of the United States, $3,463 million by residents of the United Kingdom and $2,448 million by residents of all other countries. Data for later years are not yet available.

2. New issues of bonds and debentures sold to non-residents of Canada during 1966 totalled $1,396 million, made up of the following amounts:

	million
Government of Canada issues	$ 32
Provincial direct and guaranteed issues	$448
Municipal	$179
Corporate	$737

Of this amount $1,345 million came from residents of the United States and $51 million from residents of other countries.

[*English*]

RESEARCH FUNDS TO QUEEN MARY VETERANS HOSPITAL STAFF MEMBERS

Question No. 181—**Mr. Allard:**

1. What are the names of the members of the medical staff of the Queen Mary veterans hospital in Montreal who obtained funds for research from the Defence Research Board and the Medical Research Council for the year 1966?

2. What was the amount awarded to each of these persons for research funds in 1966?

Hon. Roger Teillet (Minister of Veterans Affairs): 1, 2. No member of the medical staff of Queen Mary veterans hospital obtained funds for research from the Defence Research Board or the Medical Research Council for the year 1966.

IMPORTS AND EXPORTS, RUSSIA AND CHINA

Question No. 183—**Mr. Allard:**

1. What was the total dollar value of goods imported from Russia in 1966?

2. What was the total dollar value of goods imported from communist China in 1966?

3. What was the total dollar value of goods exported to Russia in 1966?

4. What was the total dollar value of goods exported to communist China in 1966?

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1 and 2. The total dollar value of goods imported during 1966 is as follows: Russia $11,653,833; communist China, $20,-594,268.

3 and 4. The total dollar value of goods exported during 1966 is as follows:

	Russia	Communist China
Domestic exports	$320,604,868	$184,879,317
Re-exports	4,405	941
Total exports	$320,609,273	$184,880,258

[*English*]

NATIONAL DEFENCE EXCHANGE AND LIAISON OFFICERS IN U.S.

Question No. 192—**Mr. Ormiston:**

1. How many Department of National Defence exchange officers and men are at present posted in the U.S.A.?

2. How many Department of National Defence liaison officers and men are at present posted in the U.S.A.?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. 74 officers, nine men.

2. 83 officers, nil men.

ARMOUR STONE, P.E.I. CAUSEWAY

Question No. 206—**Mr. Coates:**

Is it the intention of the Department of Public Works to request reconsideration for the use of Wallace sandstone as an armour stone in the construction of the New Brunswick-Prince Edward Island causeway?

Hon. G. J. McIlraith (Minister of Public Works): Yes.

QUESTIONS PASSED AS ORDERS FOR RETURNS

*COMPLETION OF PENAL INSTITUTION, SPRINGHILL, N.S.

Question No. 39—**Mr. Coates:**

1. What will be the anticipated final cost for constructing the young offenders penal institution at Springhill, Nova Scotia?

2. Were additional moneys paid to Foundation Maritime Limited from the original contract signed on November 9, 1964, and, if so, what was the additional amount and what was the reason for the additional payment or payments?

3. Has the government taken any action against Foundation Maritime Limited for not meeting the completion date of May 9, 1966, as specified in the original contract and, if so, what was the penalty imposed?

4. Have the buildings constructed by Foundation Maritime Limited passed inspection by the Canadian penitentiary service and, if not, for what reason, and what is the anticipated date when these buildings will be turned over to the government by the prime contractors?

5. Have employees of the Canadian penitentiary service been transferred from other institutions to the young offenders penal institution at Springhill and, if so, how many and what are their present duties?

6. On what date will the first inmates be transferred to the young offenders penal institution at Springhill?

Return tabled.

Orders for Returns

OPERATIONS OF C.G.S. "C. D. HOWE"

Question No. 115—**Mr. Orange:**

1. Is it the intention of the government to operate the C.G.S. *C. D. Howe* on the eastern Arctic patrol during the summer of 1967 and, if so, has a schedule been worked out and what communities will this ship visit?

2. How much did it cost to operate this ship on the eastern Arctic patrol in the summer of 1966?

3. How many tons of freight did it carry from ports in the south to northern points of debarkation in the same year?

4. How many tons of freight did it carry from point to point in northern Canada?

5. How many persons were examined by medical teams aboard the ship?

6. How many persons were evacuated as a result of these examinations (a) by ship (b) by aircraft (c) by a combination of both aircraft and ship?

7. How many personnel were carried on the ship excluding persons normally engaged in the operation of the vessel?

Return tabled.

FEDERAL EXPENDITURES ON RECREATIONAL AND SPORTS FACILITIES

Question No. 142—**Mr. Munro:**

1. What was the total amount of money spent by the federal government on all recreation and sports facilities for the years 1962, 1963, 1964, 1965 and 1966?

2. What individuals, associations, corporations, governments or other entities were the recipients of such amounts and what was the amount allocated to each?

Return tabled.

VETERANS AFFAIRS

LETTER EXPLAINING RELATIONSHIP BETWEEN OLD AGE SECURITY AND VETERANS ALLOWANCE

Mr. Speaker: Does the minister wish to revert to motions?

Hon. Roger Teillet (Minister of Veterans Affairs): If I may. I believe the other day I undertook to table a letter, and if this is the moment I would appreciate the opportunity to do so.

Mr. Speaker: Does the minister have leave to table the letter?

Some hon. Members: Agreed.

UNITED NATIONS

MIDDLE EAST—POSITION OF ISRAEL RESPECTING BOUNDARIES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask the

Prime Minister what Canada's position is regarding the stand announced by Israel through Premier Levi Eshkol to the effect that Israel will not agree to revert to the situation which existed with respect to boundaries until a week ago? Will the Prime Minister tell the people whether Canada intends to stand with Israel in this regard?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it would of course be quite premature to attempt to answer a question of that kind, which would depend on so many circumstances. However, I can say that I think Israel is quite entitled to receive from the international community a greater guarantee of her security than she has had in the past.

Mr. Diefenbaker: Mr. Speaker, would the Prime Minister say what instructions are being given to the Canadian ambassador to the United Nations on the Russian resolution which provides that the Israelis shall withdraw to the former boundaries, or those in existence when hostilities broke out?

Mr. Pearson: No, Mr. Speaker, I cannot deal with that subject until it appears before the security council. It has not been considered yet by the security council, so I cannot go beyond the answer I gave my right hon. friend in regard to the commitments which the Israelis are undoubtedly entitled to receive from the international community and the security council, which would give her greater security than she has had in the past.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct my question to the Prime Minister. Has any attempt been made to implement the suggestion, apparently made first by India and then by Canada, that the secretary general of the United Nations send a special representative to attempt conciliation talks between Israel and the Arabs?

Mr. Pearson: I think, Mr. Speaker, that one of the resolutions before the security council has now dealt with the matter in a limited and brief but not direct way. I know it is being considered at the United Nations whether it would be desirable for the secretary general or someone designated by him or responsible to him to go to the Middle East at the earliest possible date to see whether it would be possible to accomplish the purposes which my hon. friend mentioned.

EXTERNAL AFFAIRS

VIET NAM—REPRESENTATIONS FROM VOICE OF WOMEN

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the Prime Minister whether today he received representations from the Voice of Women organization with reference to the world situation, particularly with reference to the war in Viet Nam.

Can the Prime Minister also tell the house whether the Canadian government intends to make any further representations to the government of the United States and the government of Hanoi in the hope of bringing about a settlement there? In addition, in view of the fact that the security council has had some success in bringing about at least a cessation of hostilities in the Middle East, would the Canadian government consider trying to have the security council interest itself in bringing about a similar settlement in Viet Nam?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I understand that a delegation from the Voice of Women organization was received this morning by the parliamentary secretary to the Secretary of State for External Affairs in the absence of the minister, who is attending a meeting of the NATO council. I understand that the representations they made at that time are being referred to me this afternoon, and of course I will consider them.

So far as the last part of the question is concerned, which asked whether the security council could not take cognizance of this situation, my hon. friend knows that several efforts have been made in the past to bring the Viet Nam question before the United Nations or the security council. There are some very real difficulties in the way of doing this, the North Vietnamese having shown no inclination to go to the security council or the United Nations because, of course, they are not a member of that organization.

Mr. Douglas: A supplementary question, Mr. Speaker. In view of the fact that Canada is a member of the international control commission, would the Prime Minister take under serious consideration the advisability of Canada raising this matter in the security council, of which Canada is a member, in the hope that this might bring the two parties together for some discussions within the security council?

Mr. Pearson: Mr. Speaker, I should like to think this matter could be brought before the security council or some other agency of the United Nations, even the general assembly; but I know that whenever efforts were made in past months to accomplish this they were not successful. I would be very glad to look into the possibility again.

AGRICULTURE

CONSIDERATION BY DOMINION-PROVINCIAL CONFERENCE OF EXPROPRIATION PRINCIPLES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct my question to the Minister of Agriculture. In view of the concern of the Canadian Federation of Agriculture with the procedures and principles followed in connection with the expropriation of land, would the minister inform the house if the views of the Canadian Federation of Agriculture on the question of expropriation will be referred to the next dominion-provincial conference on agriculture?

Mr. Speaker: Order, please. I suggest to the hon. member that this question is much too large in scope, and cannot be asked at this time.

INQUIRY AS TO CHANGES IN DAIRY POLICY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I would direct a question to the Minister of Forestry and Rural Development. The minister, who participated in answering the farmers when they made their pilgrimage to Ottawa, indicated to them that the government would answer by a specific date. When questioned in the house he replied: "We had announced, after the meeting with the leaders of the farm organizations, that before June 10 the government would make its position known on the farmers' requests for changes in the dairy policy".

Has that undertaking been carried out, and would the minister let the house know what the government intends to do about the serious dairy situation?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, I answered a similar question last Friday. I mentioned on behalf of the Minister of Agriculture, who was then absent, that the announcement was made by the Canadian dairy commission, if I remember well, on Friday, June 2, about the dairy policy and some changes to that policy.

Mr. Diefenbaker: I now ask the Minister of Agriculture, has he received representations from the dairy farmers and particularly from those who participated in the visitation to Ottawa that came to such an untimely end with the doors of parliament being locked? I ask whether the government has now come to any decision and, at the same time, whether a request has been made by the dairy farmers, in view of the promise of the government to give them an answer regarding their problem, for another opportunity to meet with the minister some time between now and June 23.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I think all the farm organizations were made aware of the changes in the policy which were announced by the Canadian dairy commission one week ago last Friday. I have received a wire today from the heads of the Ontario Federation of Agriculture, the Ontario Farmers' Union and l'Union catholique des cultivateurs, requesting a further meeting.

Mr. Diefenbaker: Would the minister say whether the communiqué which was issued by the representatives of the farmers to whom he referred said that the eastern farmers would start writing to the minister and telling him in their own words what is the state of the industry?

Mr. Greene: That was not in the communication I received, but I read in the press that this organization or these organizations, or their leaders, apparently made some such release to the press.

Mr. Diefenbaker: You do not read these things?

LABOUR CONDITIONS

VANCOUVER—REPORTED LAY-OFFS BY DRY DOCK COMPANY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the right hon. Prime Minister. Has he received a telegram from the marine workers' and boilermakers' industrial union, local No. 1, Vancouver, drawing attention to the fact that the Burrard Dry Dock Company Limited has laid off 350 of its 800 employees?

In view of the serious repercussions this will have on our employment situation in

British Columbia, which is not too healthy at the present time, may I ask the Prime Minister whether he has received this telegram and, if so, what action the government proposes to take to try to improve the situation?

Right Hon. L. B. Pearson (Prime Minister): I cannot recall having received it, but it may have come in during the morning. I will check when I get back to my office.

MR. JUSTICE LANDREVILLE

REQUEST FOR HOUSE CONSIDERATION OF PENSION REQUEST

On the orders of the day:

Mr. Robert McCleave (Halifax): I have a question for the Prime Minister. Would the right hon. gentleman and his cabinet consider the reintroduction of the address to parliament in the event a request for a judge's pension comes from one L. A. Landreville of Sudbury?

Mr. Speaker: Order. The hon. member will recognize that this question is hypothetical.

Mr. McCleave: Then I should like to discuss the hypothetical question at ten o'clock tonight.

FISHERIES

NOVA SCOTIA—FEDERAL CONTRIBUTION TO ASSIST LOBSTER FISHERMEN

On the orders of the day:

Mr. J. O. Bower (Shelburne-Yarmouth-Clare): I have a question for the Minister of National Health and Welfare who is ex officio the minister from Nova Scotia. Since I see neither the minister nor his parliamentary secretary in their places I would direct it to the Prime Minister.

I wish to ask the Prime Minister whether to his knowledge the Minister of National Health and Welfare has received a communication from the government of Nova Scotia soliciting the co-operation of officials of the government of Canada in determining the extent of losses incurred by the people engaged in the lobster industry in Nova Scotia during the disastrous storm of April 28 and 29, and also soliciting a financial contribution from the federal government to supplement provincial aid. If so, can the Prime Minister give an assurance that the government will comply with the provincial requests?

Right Hon. L. B. Pearson (Prime Minister): I do not know whether the minister has received any such communication. In any event, it would normally go to the Minister of Fisheries, who would be the minister responsible.

Mr. Bower: I understand the communication from the province—

Mr. Speaker: Order. The hon. member has to ask a question.

Mr. Bower: Would the Prime Minister be good enough to find out?

Mr. Speaker: Order, please. The question put in this form is not in order.

Mr. Pearson: Yes, I will find out.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I suggest, with great deference, that the question was perfectly proper.

Some hon. Members: Order.

Mr. Diefenbaker: I do not take directions from the noisy people opposite, who change *Hansard* when their answers are not appropriate. My hon. friend asked a reasonable question, and I suggest he should be entitled to an answer.

Mr. Pearson: With great respect, Mr. Speaker, I think your ruling was perfectly proper.

Mr. Diefenbaker: That being so, I ask Your Honour now to make the ruling.

Mr. Speaker: I have already made a ruling.

Mr. Diefenbaker: Oh, no. Did Your Honour rule that the question was improper? Is that supposed to be a precedent? I ask Your Honour.

Mr. Speaker: I am afraid that many of the rulings I make are precedents, and perhaps this one is also. In any event the ruling has been made.

TRADE

REPORTED INFESTATION OF LUMBER EXPORTED TO AUSTRALIA

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): I wish to address a question to the Acting Minister of Trade and Commerce, and ask him whether his attention has been called to a report from Sydney, Australia, to the effect that pest control experts said on Saturday that carpenter ants which have caused millions of dollars worth of damage apparently had been hatched in lumber brought from Canada. Has

this been brought to the minister's attention, and is an investigation being held?

Hon. Jean-Luc Pepin (Acting Minister of Trade and Commerce): I will look into this and try to answer the question tomorrow.

FINANCE

INQUIRY AS TO DISTRIBUTION OF 1967 COINS

On the orders of the day:

Mr. D. V. Pugh (Okanagan Boundary): My question is directed to the Minister of Finance. Has the minister kept a record of the distribution of the new 1967 coinage? My reason for asking is that supplies in the west seem to be very short in comparison with circulation in the rest of Canada.

Mr. Speaker: I doubt whether this question is in order, but if the hon. member thinks it is a matter of urgency he might give notice of his intention to discuss it at the time of adjournment.

Mr. Pugh: With deference, I asked this question because on July 1, 1967 we are celebrating our centenary. One of the things the government has done has been to produce new coinage in connection with this event, and the coinage is not being as well distributed in the west as it is in the rest of this country.

[*Later:*]

Mr. Pugh: Mr. Speaker, perhaps you will bear with me now when I rephrase my question which is of urgent importance to all Canadians. Will the Minister of Finance indicate whether he will take steps to look into the distribution of the new centennial coinage, not only to the various provinces but also to other countries, particularly to the United States?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have already looked into this matter and have been informed that a very large quantity of new currency has already been put into circulation. It is my understanding, like the hon. member's, that regional distribution has not been too good.

Mr. Pugh: Thank you for that information. May I ask the minister whether he will take steps to see that the distribution of this currency is undertaken on a more equitable basis, keeping in mind the west as well as the rest of the country?

PRIVILEGE

MR. MCINTOSH—ATTRIBUTION TO PRIME MINISTER OF REMARK IN DEBATE

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): I rise on a question of privilege. It was brought to my mind by the refusal of the Chair to allow a question directed to the Prime Minister by my hon. friend from Shelburne-Yarmouth-Clare. If everything is to be done according to the rules and regulations I will raise my question of privilege, and it is this. As reported at page 1340 of *Hansard*, June 9, 1967 a question was asked in this house by the Leader of the Opposition as follows:

> I do not know whether the Prime Minister heard the question I asked a while ago. I now ask him specifically, in view of the fact that the statutes of Canada refer to July 1 as Dominion day and he this morning called it Confederation day, does this mean more chiselling away of part of our heritage, when the government refers to this as Confederation day without a decision of parliament?

The Prime Minister answered:

> Mr. Speaker, I really cannot answer such a picayune, chiselling question.

The report continues:

> Mr. Diefenbaker: I ask the Prime Minister this question, which is not to be answered by facetious attempts at wit. Is the "Dominion" in Dominion day a dirty word now?
>
> An hon. Member: It could be.

Right Hon. L. B. Pearson (Prime Minister): I did not say that.

Mr. McIntosh: I heard it and saw it.

Mr. Pearson: On a question of privilege, I made no such observation and the hon. member has no right to say I did. He had better withdraw this allegation.

Mr. McIntosh: I am surprised the Prime Minister should get up in this house and refuse to back up the words he used when he was sitting in his seat.

Mr. Speaker: Order. When an hon. member states he heard another hon. member utter certain words and the other hon. member says he did not utter them, there is not very much that can be done about the situation. The rule of the house is that we have to accept the word of an hon. member. We have to accept the word of the hon. member that he heard certain words uttered, and the statement of the other hon. member that he did not utter those words. I would say that the Chair can certainly do nothing.

Mr. McIntosh: I not only heard it, I saw his lips move.

Mr. Pearson: On a question of privilege, I said I made no such observation. I uttered no such words, and the hon. member must accept my denial and withdraw his statement.

Some hon. Members: Hear, hear.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): There is nothing to withdraw. I was sitting here on Friday—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —and I can get any number of hon. members who are not inclined to ascribe Charlie McCarthy words to anyone, and they heard what the hon. member for Swift Current-Maple Creek has just averred.

Mr. Pearson: I repeat that I made no such observation and used no such words, and if the right hon. gentleman says I did he must accept my denial and withdraw his statement.

Hon. Roger Teillet (Minister of Veterans Affairs): It was I who made the remark that I think the Leader of the Opposition is referring to. I said at the time that his attitude was tending to made it a dirty word. Those are the words I used at the time.

Mr. Pearson: Now perhaps the right hon. gentleman will withdraw the statement that I uttered any words of that kind at the time. I ask him to get up and withdraw that statement.

Mr. Speaker: Order, please. Obviously we are getting nowhere at all. I suggest to hon. members that we do not serve any purpose by joining in these—

Mr. Habel: Mr. Speaker—

Mr. Speaker: Would the hon. member kindly resume his seat. I believe I stated the position as it is a moment ago. When a statement is made by one hon. member and the right hon. Prime Minister makes a statement formally denying that he used certain words, I remind hon. members that we have to accept the statement of any hon. member, of each and every individual member of the house. On the other hand I do not think the right hon. Prime Minister can ask the hon. member for Swift Current-Maple Creek to withdraw his statement. I am sure his statement was made in good faith, and I do not see how the Chair can ask the hon. member to withdraw his words. At the same time I suggest that the house has to accept the statement made by the right hon. Prime Minister, in the same way as we have to accept the statement made by any other member to the House of Commons.

Mr. J.-A. Habel (Cochrane): On a question of privilege, Mr. Speaker, I want to deny categorically what the hon. member has said. I am the one who said "maybe", and I am not ashamed of it at all.

Mr. Diefenbaker: How many McCarthys are there over there?

Mr. Speaker: The hon. member for Red Deer.

Mr. Pearson: Mr. Speaker, I take it the hon. member has withdrawn his statement that I uttered any words of that kind. I take it he has withdrawn that.

Mr. Speaker: Order, please. I suggest to the right hon. Prime Minister that the hon. gentleman does not have to withdraw the statement he made. He has said he heard these remarks. I am sure the hon. member, as do all other members of the house, has to accept the statement by the Prime Minister.

Mr. Pearson: Mr. Speaker, all I am asking him to do is accept my statement that I did not utter those words. If he would do that in accordance with the rules the incident would be ended.

Mr. Diefenbaker: The ruling has been made.

EXTERNAL AFFAIRS

EGYPT—CLOSING OF PART OF CANADIAN EMBASSY IN CAIRO

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I wish to ask the Prime Minister whether today's report is true that the Egyptian government has forced the closing of part of the Canadian embassy in Cairo. If it is true, has the government of Egypt given the government of Canada any explanation, and what steps is the government taking?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I understand that the United Arab Republic authorities asked our embassy a few days ago to remove part of the embassy staff from our chancery as a precautionary measure in view of widespread demonstrations. The embassy continued to function with reduced staff, and according to the latest information from our ambassador the embassy

is now functioning normally and all members are safe and well.

Mr. Thompson: As a supplementary question, has the Prime Minister any word that this action was taken because the Canadian embassy was carrying on some of the normal functions of the embassy of Great Britain due to the lack of diplomatic relations between those two countries?

Mr. Pearson: Mr. Speaker, for some months now, as my hon. friend knows, we have been looking after British interests in Cairo, and the British official personnel there come under our ambassador. In am not aware that the U.A.R. asked for the evacuation of the British interests section of the Canadian embassy. Our latest information is that there has been a U.A.R. request for a reduction in the staff of the British interests section which is now occupying the British owned chancery premises.

NATIONAL DEFENCE

ABSENCE OF MINISTER FROM NATO COUNCIL MEETING

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I wish to direct a question to the Minister of National Defence on a matter on which I am sure Your Honour will understand that we require an immediate explanation. Can the Minister of National Defence explain to the house why he is not now at the NATO ministerial conference, and why the President of the Privy Council is there in his place as the military adviser to our Secretary of State for External Affairs?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, the spring meeting is one usually attended by the secretaries of state for external affairs. At the suggestion of several members of the government, including the Prime Minister, the President of the Privy Council accompanied the Secretary of State for External Affairs at this time, which is not unusual. Often ministers of finance or other interested government officials travel with these parties in order to get first hand knowledge of the latest problems of the alliance, and I think this is quite in accord with the precedents that exist.

Mr. Winch: As a supplementary question, in view of the answer given by the minister and in view of recent statements regarding NATO made by the President of the Privy Council, could he inform the house whether this is a brainwashing endeavour?

Mr. Speaker: Order. The question is supplementary, but also out of order.

[*Translation*]

AGRICULTURE

QUEBEC—REQUEST FOR ASSISTANCE FOR POTATO GROWERS

On the orders of the day:

Mr. Gaston Clermont (Labelle): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

Since March 22, 1967, has his department negotiated with the provincial agriculture department on assistance to potato producers? If so, what are the results?

Mr. Speaker: It is difficult for me to determine whether the question of the hon. member for Labelle is urgent. I am inclined to think that this question should be put on the order paper, but, if the hon. member feels this is an urgent question of national importance, he could bring it up on the adjournment motion.

Mr. Clermont: Mr. Speaker, it is because the premier of Quebec claimed that a request for such assistance had been made by the Quebec authorities and that the federal agriculture department had rejected it.

[*English*]

TRADE

INQUIRY AS TO STEPS TO MEET INCREASED DEFICIT

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Trade and Commerce but in his absence perhaps I might ask it of the Minister of Finance, since they both share the blame. In view of the startling increase in our trade deficit for April, as shown in the D.B.S. weekly report issued on Friday last, according to which our deficit rose from $1 million to $73 million—

Mr. Speaker: Order. The hon. member has to ask his question.

Mr. Aiken: —for the month of April, what action is the government taking to improve this dangerous situation and, in particular, will the Kennedy round of tariff reductions further affect this balance?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, developments in our trade situation are pretty much as we had expected. I

am happy to share with my colleague the Minister of Trade and Commerce the credit for the remarkable increase in exports from this country. I think the trade balance will turn out about as expected, and I do believe the Kennedy round will benefit both the consumers and the exporters.

PUBLIC SERVICE

LEGISLATION TO INCREASE PENSIONS OF RETIRED CIVIL SERVANTS

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, at the request of various superannuated civil servants across the country, asking when they may expect the increases which were recommended by the parliamentary committee, the matter having recently been before Treasury Board. There is a great deal of anxiety among these people, and I think deservedly so.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think this matter was dealt with the other day in reply to a question directed by my hon. friend the hon. member for Winnipeg North Centre. It was stated then, and I am glad to repeat now, that the matter is under active and urgent consideration.

Mr. Stanley Knowles (Winnipeg North Centre): As a supplementary question, Mr. Speaker, may I ask the Prime Minister if he can now assure the house that the matter will be before parliament this month?

Mr. Pearson: That depends, Mr. Speaker, on how we get along this month among other things.

Mr. Knowles: Is the legislation ready to be placed before parliament?

Some hon. Members: Order.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I wish to direct a question to the Prime Minister. Is it the intention of his government to prevent the government of Nova Scotia from dealing with the cabinet minister from Nova Scotia except on matters pertaining to national health and welfare?

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

[Mr. Sharp.]

Mr. MacInnis (Cape Breton South): Mr. Speaker, I fail to see where such a question is out of order, though I accept your ruling. The Prime Minister has indicated to the house that representations coming from the government of Nova Scotia must be channelled through the Minister of Fisheries. If this is so it is certainly a break from long established precedents.

Mr. Pearson: On fisheries matters.

Mr. Speaker: I do not think the question is in order, and I thank the hon. member for his acceptance of my ruling.

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 Minister of Fisheries, and not as an Atlantic province minister. My question arises out of a statement he made before the Fishery Council of Canada on May 7, in which he indicated that within a month the government would begin to initiate the straight base lines. In the absence of the Secretary of State for External Affairs I should like to ask the minister, who I know follows this matter closely, whether such initiation has commenced and whether the situation has changed in any way since his estimates were under discussion in the house not long ago.

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, I would refer the hon. member to the statement I made when my estimates were introduced in the house on Monday last. I am sure the hon. member will understand that because of the international situation which has existed since then it has been impossible for the Secretary of State for External Affairs to give this matter the attention it really deserves.

Mr. Barnett: I have a supplementary question. I recognize the truth of what the minister has said, but I should like to ask him whether he has been following this matter through his department during this particular time.

Mr. Speaker: Order, please. The supplementary question is repetitious.

Mr. G. L. Chatterton (Esquimalt-Saanich): I have a supplementary question, Mr. Speaker. I should like to ask the minister whether,

when the co-ordinates and base lines are announced, this will mean that all matters concerning historic and treaty rights will have been settled with other countries.

Mr. Robichaud: I already stated that at the time the Secretary of State for External Affairs makes his statement he will give all the details available on the matter.

HOUSE OF COMMONS

PRESENCE IN GALLERIES OF TELEVISION CAMERAS

On the orders of the day:

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, in the absence of the government house leader may I direct this question to the acting house leader or to the Prime Minister. In view of the presence of television cameras in the gallery, are we soon to bring the Canadian people into closer contact with the proceedings of parliament through radio and television coverage of this house or its committees?

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I wish to ask a question to the hon. Secretary of State.

Like my colleague for York-Scarborough, (Mr. Stanbury), I see television cameras in the east and west galleries of the house. Could the hon. minister tell us whether the permission of members is required for the broadcasting of the debates?

Miss LaMarsh: That is Mr. Speaker's responsibility.

[*English*]

Mr. Speaker: Order, please. The question is out of order. I suggest that notice can be given.

[*Later*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am not sure how to preface this question, but with great respect the questions asked by the hon. member for York-Scarborough and the hon. member for Saint-Denis were questions that affect the rights of members of parliament and this House of Commons. No one can conclude that these machines are here just for storage.

Mr. Speaker: Order, please. Perhaps I may have leave of the house to revert to motions for the purpose of indicating that to the best of my information the cameras were placed in the galleries at the request of hon. members who decided to support a C.B.C. centennial project in reference to the operations of parliament. I believe that when a certain bill which is now on the order paper is reached, arrangements will be made with house leaders for the filming of certain parts of the debate on that bill. I am also informed with authority that the house leaders have already discussed this subject. I might add that independent members have also been consulted by the Chair, and their support or approval was obtained some weeks ago.

THE CANADIAN ECONOMY

STEPS TO MEET INCREASE IN COST OF LIVING

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I should like to direct a question to the Minister of Finance. What action is the government taking to level off the dramatic increase in the cost of living index as reported for May in the weekly Dominion Bureau of Statistic bulletin on Friday?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I think I gave a fairly lengthy answer to that question when I presented my budget.

PUBLIC BUILDINGS

VANCOUVER—REQUEST FOR CHANGE IN SITE OF NEW BUILDING

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Public Works which is of urgent importance to the city of Vancouver. Has the minister received a copy of the resolution passed by the Vancouver city council regarding the location of the new federal building for Vancouver? If so, what consideration is being given to this request for a change in location?

Mr. Speaker: Order, please. It is my opinion that this question cannot be asked at this time.

Mr. Winch: Mr. Speaker, I am certain the minister would be happy to answer the question if you will allow him to do so. The Vancouver city council would like to have an answer.

Mr. Speaker: The hon. member knows there are rules of this house, and that one of

those rules is that if a question is ruled out of order on the basis of urgency members can give notice of their intention to debate the matter on the adjournment motion. That is the course I suggest the hon. member for Vancouver East follow.

FINANCE

MATTERS TO BE DISCUSSED AT MEETING OF TAX STRUCTURE COMMITTEE

On the orders of the day:

Mr. Joseph Macaluso (Hamilton West): Mr. Speaker, I have a question for the Minister of Finance. I understand the tax structure committee will be meeting tomorrow in Toronto. Can the minister give us any information as to what will be discussed at that meeting?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the tax structure committee, which is a committee of federal and provincial finance ministers, is meeting in Toronto because of difficulty in obtaining accommodation in Ottawa. I may say I am happy that the meeting will take place in that city.

We are going to review the main conclusions of the Carter commission; that is, the royal commission on taxation. The purpose of the meeting is not to discuss particularly the commission's views on federal-provincial matters, but to examine the basic proposals on tax structure which have been put forward and to look carefully at their implications. Of course I shall welcome the views of the provincial ministers on this important matter.

[*Translation*]

SUPPLY

The house in committee of supply, Mr. Dubé in the chair.

DEPARTMENT OF FINANCE

ADMINISTRATION

1. Departmental Administration including administration of the guaranteed loans Acts, the Inspector General of Banks' Office, and payments to provinces and grants as detailed in the Estimates, $3,806,600.

The Acting Chairman (Mr. Dubé): Order, please. House again in committee of supply, estimates of the Department of Finance for fiscal year ending March 31, 1968. Vote No. 1 is to be found on page 140 of the blue book with the details thereof listed on page 143. Shall vote 1 carry?

[*English*]

Mr. Lambert: Mr. Chairman, I felt that on this occasion we might have a statement from the Minister of Finance, notwithstanding the fact that he delivered himself of a budget speech the other night. There are a number of items that should be discussed because of their rather technical aspects. Perhaps the minister could give us some information. While I do not wish to get into a budget debate or anticipate the type of speech I would make in such a debate, there are a number of matters with regard to which we must ask the Minister of Finance for the views of the government and his predictions.

I turn first of all to the subject of interest rates. As we know, the Bank Act which was passed recently by this parliament has within the provisions of section 91, if my memory does not fail me, a rather intricate formula for the, shall we say, triggering-off of any ceiling on interest rates chargeable on some of the loans chartered banks may make. It is a sort of trigger formula for the removal of any ceiling on these interest rates.

• (3:30 p.m.)

At the time the committee and this house were considering Bill No. C-222 last year there was a very clear indication by the minister and his officials that the interest rate of last year, in terms of the average rate for government short term loans, was declining. In effect, it was as a result of the minister's remarks that the committee decided to make an amendment to the act whereby the ceiling was fixed at 7¼ per cent for the balance of 1967. This was done because it was indicated that if interest rates declined as they had been doing over the course of the winter, some time next November the trigger in the Bank Act could operate, and it was deemed that there could be too sudden a change and therefore the rate should be phased out. But since then one has been hearing reports that a trough has been reached with regard to the decline in interest rates. As a matter of fact, the financial press has been replete with articles indicating that notwithstanding the relative freeing of money, interest rates are going into a reverse process and will probably go up as a result of strong demands for funds.

Does this mean that the trigger will not apply with regard to the Bank Act? I think the minister should now be in a position to tell us what he anticipates for the next half year with regard to interest rates in so far as they relate to the trigger formula under the Bank Act. I think the minister should also report in some detail on the developments under the Bank Act, the developments with regard to the Bank of Western Canada and

the Bank of British Columbia. We have also received notice now through the publishing of advertisements that there is another bank proposed for incorporation this year, the Bank of Alberta.

I ask the minister: is there anything in what some financial writers have said? Is there now too much competition? What are the views of the minister with regard to the developments under the Bank Act? I think this is an admirable time for the minister to give us his assessment of the situation. The new Bank Act has been in force only six or seven weeks, but already we have seen some significant developments with regard to types of savings accounts, the interest rate that is being paid to depositors in these bank accounts and the reaction of the near banks to them.

The next matter is related to the Bank Act but concerns a different subject. Is the minister in a position to tell us when the government intends to refer to the committee on finance, trade and economic affairs the regulations that were to be made with regard to interest disclosure? They may have been published in the *Canada Gazette*, but the Minister of Finance is not the one who files these details. This is done by the President of the Privy Council. As a matter of fact, it was only by a careful combing of all the *Votes and Proceedings* that I found that some weeks ago the President of the Privy Council had tabled the regulations made under the Canada Deposit Insurance Corporation Act. It must be remembered that in this regard there was a very definite undertaking that the regulations would be sent to the finance, trade and economic affairs committee. I suggest this should not be done at the tail end of this session.

I think it is unfortunate that the committee did not have direct access to these regulations. Of course, the members of the committee can get the order in council and see what the regulations are, and I have already done so with regard to the Canada Deposit Insurance Corporation, but the matter should be referred to the committee by way of resolution. The minister must bring in a resolution to refer these matters to the committee. I think the sooner this is done, the better off we will be. I hope to see such resolutions on the order paper within the next week with regard to both the Bank Act and the Canada Deposit Insurance Corporation Act so that the rules and regulations will be turned over to the committee and we may consider them. We will not be able to attend to them before the end of June, when parliament is scheduled to rise for a recess of an indefinite period, but at least we will have them before us and can talk to our friends and contacts within the banking system and the near banking system, who will be able to give us a professional assessment of these rules and regulations. We can then in the month of September, or earlier if that is to be the case, come back and be prepared to get down to work and discuss these matters rather more intelligently than would be the case if we were to arrive back here cold, as it were.

Therefore, Mr. Chairman, I make a special plea to the minister to see that his colleagues agree to these matters being put on the order paper and dealt with. As far as I am concerned and, I think, my colleague the hon. member for Perth—I cannot speak for my colleagues on the committee from other parties—we would be prepared to see such resolutions go through the house without debate in this instance so those regulations may be sent to the committee.

I trust that the minister will tell us something about a matter dealt with in numerous speeches which he has been making of late. The minister has a very good distribution service from his office and I receive pages and pages of speeches. They all have one central theme—the wisdom of Canada not doing anything to upset a continuing, strong flow of foreign funds for investment in this country. While the Minister of Finance has been making these speeches, ably assisted by the Minister of Forestry and Rural Development, other members of the cabinet have made speeches on a different theme. I do not know why we have not had a duel between the Minister of Forestry and Rural Development and the President of the Privy Council, because in other jurisdictions this is apparently how differences between members are sometimes settled. I suppose ours in Canada are really verbal duels.

● (3:40 p.m.)

However, so far as ideas are concerned there is a head-on confrontation between the Minister of Finance and his associate, the minister of forestry on the one hand and the erstwhile minister of finance on the other. We know that a few weeks ago he really gave the old pail a solid kick and threatened to upset it when he spoke out on the subject of Viet Nam. Personally I find I cannot accept the view of the hon. member for Davenport concerning cabinet solidarity and his semantics regarding the expression of government poli-

cy and the expression of views or opinions. That is one luxury which the President of the Privy Council can no longer have now that he is back in the cabinet. Now he is off to the NATO ministers' conference in a related field of foreign affairs I fear we should tremble in dread of what ukases may come forth from him with regard to that aspect of our foreign affairs.

To return to the subject of foreign investment in Canada I point out that the speech from the throne dredged up as a prospective bride, for the fifth time I think, the Canada Development Corporation. I suppose it was originally in the thought of the then minister of finance who first propounded this idea that the Canada Development Corporation should be set up by the government of Canada. How was it going to operate? We were going to either buy back Canada or borrow back Canada. Here I am not using an original phrase; others have used it far more effectively than I can. We were going to go into debt financing rather than equity financing. However, this is not the time to argue in detail the pros and cons of equity versus debt financing, and I am certainly not going to argue ahead of time what I consider to be the potential tragedy in the introduction of the Canada Development Corporation. I can only point out that I do not think the Canadian people support this idea.

In a province as wealthy as the province of Alberta the Alberta Development Corporation was started. It was anticipated that $10 million would be raised in the first year, which is all right for a provincial jurisdiction. However, I doubt that they received subscriptions for $2 million. That is how far it went. In so far as the Canada Development Corporation is concerned, now that the Canada Pension Plan is siphoning off some $800 million a year from the private sector of investment into the public sector, there is to be even much less money available for investment in the Canada Development Corporation. Therefore I think the concurrent existence of the two, both competing for money, will place one more demand upon less and less dollars which are available to the taxpayers or the investors of the country. Notwithstanding the fact that the Canada Development Corporation has been referred to in the speech from the throne, I hope the Minister of Finance will see to it that this idea gets lost amidst the shuffle and press of parliamentary business and that it will ultimately be pigeonholed and there gather dust and remain merely an interesting idea which was put forward at one time by a man who had extremely nationalistic ideas in so far as Canada is concerned.

There is also another matter on which the minister may have made a brief statement. He will recall that when we were considering last year the estimates of the Department of Finance and also the Bank of Canada Act there was a good deal of discussion concerning the concrete decision by participants in the World Bank with regard to a new world monetary exchange unit. I believe that a conference was held not long ago and the minister reported to the house that he was disappointed that not as much progress had been made in this regard as he had hoped. I think he could elaborate on that subject so that we can see just where we are heading with regard to our world foreign exchange relationships.

There are indications of greater and greater pressure being put on the U.S. dollar, and certainly the results of last week's activities in the Middle East are likely to create a very serious potential problem for Great Britain, virtually a convertibility crisis in the making, because if a number of oil-rich Arab states which now hold tremendous sterling deposits in the United Kingdom suddenly get it in their minds that they will withdraw their funds and go off in a huff—I do not know where they would place their money—this would pose a very serious problem. As a matter of fact, we might see a further deterioration in the relationship between Great Britain and its erstwhile friends in the Middle East which would cause a blocking of sterling balances. This would upset the whole world pattern and prove the necessity for some form of agreement at least between the major countries of the world to ensure that a national unit shall not serve as the ultimate reserve for international exchange payments.

Several of my colleagues intend to speak in detail about the minister's estimates. There are one or two points that arose the other day when I attended a meeting of the committee on external affairs. As a matter of fact members of the committee were mystified at the tables which the director of the external aid branch produced with regard to the quantum of external aid supplied by Canada, and it was found that the figures he was using bore absolutely no relationship to the estimates as they appear in the blue book. The partial explanation was that the total of external aid was made up from a number of departments including, as the witness said, the Department of Finance. In this connection I would like to

know if there is some other source of external aid, apart from item 50, in the very general wording of these estimates which the Minister of Finance would consider as his contribution to external aid. If so, perhaps the minister could indicate it to the house.

• (3:50 p.m.)

Recently the minister issued some statements concerning small business loans made under the act of that name. One of these was dated June 2, 1967. I believe this act has been much maligned by being ignored by the public and the news media. As we know, this measure was brought into its modern dress and completely overhauled in 1959 or 1960, if my memory serves me right. I would not like to insist that the previous administration introduced that act because I have not been able to check that aspect, but certainly it was brought up to date about 1960.

It is very instructive to see how much money has been available to small businesses under this act. On June 2, 1967, the minister announced that loans totalling $3,590,997 were made to 401 borrowers under the Small Businesses Loans Act during the months January to March. The announcement does not say "inclusive" so I am not sure whether the minister was reporting for the first quarter of the calendar year 1967 or for only two months. At any rate, under this legislation the government may guarantee loans made by chartered banks for a wide range of business improvement purposes to small business enterprises engaged in manufacturing, wholesale and retail trade or in the service industries. A maximum of $25,000 may be lent to a borrower at any one time. Loans must be secured and may be repaid over periods of up to ten years. The maximum rate of interest is 5.5 per cent.

In my opinion, it is instructive to see how much money the banks have lent at 5.5 per cent over the past several years when money was allegedly so tight. The same situation applies, of course, to the Farm Improvement Loans Act, with regard to which I have a recent statement by the minister. In any event, I notice that according to the minister's statement the date of origin of the Small Businesses Loans Act was January, 1961, so I was not too far out when I suggested 1960. Since then, to the end of March, 1967, there have been 16,636 loans made for a total of $150,763,473.

I think this points up a salient fact, namely, that this was good legislation and the arrangements made thereunder with the banks and with the public have been working well. Over 16,000 businesses, with a gross annual revenue of about $250,000 each, have benefited from this measure. Recently the maximum estimated gross annual revenue was raised to $500,000. These businessmen have been able to borrow $150 million at 5.5 per cent interest. I believe this is a clear indication that this was good legislation. I hope there will be a continuation of these facilities, that businessmen will avail themselves of them and that the banks will take advantage of the guarantee so the program will continue to be a satisfactory one.

The same remarks may be made in connection with the Farm Improvement Loans Act. In March of this year the Minister of Finance announced that 15,380 loans had been made for a total of $37,227,219 during the period October 1 to December 31, 1966. The total in 1966 was 85,553 loans for a total of $212,796,464 compared with 91,191 loans in 1965 for a total of $202,706,910. So here we have two heads of legislation, one for the small businessman and the other for the farmer for farm improvements. The Farm Improvement Loans Act is not designed to cover the purchase of farms because that comes under the Farm Credit Corporation. It is actually for the improvement of farms. When we look at these two measures we can see that the banks, with government co-operation, will provide loans at 5 per cent with the result that progress can be made.

I am not going to go into the details about the quantum of loans made under these acts. I merely point to them as examples of the fact that progress can be achieved with government co-operation without setting up government agencies. This is not what I want to do. I do not want to have the government acting as big brother. There is all too great a tendency toward this today. The government, along with business and individuals who may want to do some financing, can get an intelligent, workable program which does have good results.

There are a number of other people who want to speak on the estimates of the minister so I am going to conclude my remarks by saying that I hope the minister is not going to feel the estimates of his department are going to pass in a great hurry this year at the tail end of the session. I trust we will have a good discussion today. I do not believe we need to have an interminable discussion, but certainly we should have a reasoned and intelligent discussion. I am sure there will be other questions raised, but I should like the minister to give me answers to the points I have mentioned.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Since the passage of the Bank Act, Mr. Chairman, I have received quite a number of letters with regard to loans on which the banks have been asking an increased rate of interest even during the lifetime of the loans. The other day I received a letter from a man who had a loan at 6 per cent which does not mature until this fall. His bank manager called him in and, knowing I suppose that this particular customer was going to need an extension of his loan after the due date, persuaded him to sign a new note for the rest of the period at a higher rate of interest.

I have had a number of complaints of this sort, although I am quite sure what the banks are doing is quite legal, however dubious it may be ethically. I have tried to deal with the banks directly about it and have communicated with head offices on one or two occasions without any particular success. I wonder whether the minister has had such cases brought to his attention. If so, is he prepared to speak a little sharply to the banking fraternity by pointing out to them that the measure we passed, while it did give them some relief or will do so by the end of this year, should not be used as an excuse to hike rates on existing loans?

I feel that somehow we did not go far enough in the legislation with regard to providing competition for the banking fraternity. I am not going to repeat my argument to the minister, since he has dismissed it two or three times already, that the only way to do this is to follow the example of our Australian and New Zealand cousins. I think he is going to find himself under considerable pressure before very long to introduce some sort of curb on the evidently irresponsible actions of the chartered banks.

• (4:00 p.m.)

I have also noted with a certain amount of concern that since the passage of the Bank Act some of the banks have announced their intention of splitting their shares with again not too much explanation as to why this should be considered desirable. The banks and other corporations which have asked for this particular privilege have never been very clear as to what advantage the general public derives from such action. It is argued that there is a wider distribution of shareholding, but no evidence is adduced to suggest that the existing shareholders are prepared to part with part of their holding in order to have a wider distribution.

[Mr. Lambert.]

I am unable to avoid the suspicion that the desire to split shares is a desire to conceal, at least partially, the rate of profit on the existing capitalization of the banks. I recall during the hearings congratulating the president of the Bankers Association on his perfect timing. It was not until the day after he left the witness stand that the report of the profits of the banks, his bank in particular, was made public. I may say that the president of the Bankers Association gave me a charming smile and said "Yes, my timing is always very good". I suspect that the desire to split shares perhaps has that as its motive rather than the one that is usually ascribed of trying to bring about a wider distribution. Until I find existing shareholders publicly announcing that they are prepared to put some of their shares on the market when the shares are split, I shall continue to have suspicions of this sort.

One of the problems during the hearings of the committee was the question of the near banks of various sorts in Canada. Our attempts to bring them under some control were, I thought, perhaps not quite as decisive as they should have been. They consisted, of course, largely in the introduction of the deposit insurance legislation, which had one very bad flaw in it in that provincial institutions were not obliged to take it, and indeed were not allowed to take it, unless their provincial governments approved.

We have a number of rather curious institutions of this sort. I have often wondered whether the federal government and the Minister of Finance have examined the position and operations, for instance, of the treasury branches of the province of Alberta. I have long had the suspicion that these operations may be contraventions of the Bank Act, but I am not quite sure. I believe that one case is now before the courts. I did express the view at the time that the deposit insurance legislation was not quite adequate to protect the Canadian people from the plethora of financial institutions of various sorts with which they are plagued. I even expressed the view that probably the best solution would be to expand greatly the powers of the chartered banks, advocating at the same time, as I intend to continue advocating, placing in the centre of our banking institutions a government-owned institution to act as a watchdog and as a competitor.

I do not know of any other way to get over the constitutional difficulty of the federal government in being able to control chartered financial institutions. I felt that the minister

had perhaps missed an opportunity at the time of the regrettable collapse of one or two of these institutions, when I am sure that every provincial government was shaking in its shoes, in that he did not at that time suggest to them that the course of wisdom would be for them to insist that financial institutions licensed by the legislatures of the different provinces should voluntarily come under federal control and inspection.

I had the feeling at that time that every provincial government would have realized that this was the lifeline of safety in face of the very serious developments which were taking place within the financial institutions of the different provinces. I am quite sure the minister is fully aware that that was the psychological moment to do it and that he was deterred from doing it for fear of adverse reactions from one particular province. I think that federal governments will have to get over their continual phobia about the possibility of reactions from that province if we are going to advance as a nation.

I should like to say a word or two about another of those ticklish questions which came before the committee, and that is the position of the Mercantile Bank of Canada. I raised the matter with the minister not long ago in the house on the basis of an article which appeared in the *Executive* magazine which, while it was not conclusive, suggested to me that Mr. Rockefeller and his associates are planning to do precisely what I suggested they might do when the motion which I seconded was introduced in the committee to give the bank a five year period in which to expand their operations and make their shares attractive to Canadian investors. I had an uneasy feeling at that time, despite the blandishments of the hon. member for Verdun, that Mr. Rockefeller and his associates might be preparing to play a game of Russian roulette with the minister and would keep telling him that the time is not now propitious to put their shares on the market, that they would finally come up against the five year limit and would point out that it was still not propitious, and then would say to the minister: "What are you going to do now? Are you going to confine us to the 20 to one ratio or are you going to allow us to go on expanding in defiance of your legislation?"

I should like to be sure that the minister is keeping a very sharp eye on this situation. I confess that my interest is largely because of the history and the record of this financial group in the United States of America and its operations outside that country, which lead me to the conclusion that while there may perhaps be a case to be made out for permitting a foreign bank to enter the Canadian business community, this is not a group that I should like to see in Canada. I say that because their record in other countries renders them, to my mind, somewhat suspect of being rather ruthless, rather concerned for their own interests to the neglect of the interests of the host country.

I too, like the hon. member for Edmonton West, was interested in the minister's remarks about the necessity to maintain the inflow of United States capital. I noticed that at least in one speech he based his anxiety that the flow should continue on the need to have capital to expand the Canadian economy. If one looks at it in one way I suppose that is a reasonable and correct estimate, but actually I am sure the minister knows there has been almost no net inflow of United States capital for development in Canada for some time. What we do have is an inflow of capital which balances the now rapidly increasing outflow. In fact, we need more in order to pay for the loss of previous investment. The bulk of the expansion of the Canadian economy in non-Canadian hands takes place on the basis of the retained earnings of existing subsidiaries of foreign corporations. Eventually I think the minister will have to face up to this problem and determine whether or not we are being fair to the people of Canada by allowing this continual expansion on the basis of funds earned in Canada from the work of Canadians to result in expansion of foreign holdings in our economy.

• (4:10 p.m.)

I have wondered whether the minister has considered the possibility of fiscal measures that would make it a little less attractive to plow back such an enormous volume of retained earnings, that would make it a little less attractive to have such a large body of retained earnings. After all, when we find that 70 per cent—perhaps it is over 70 per cent now—of capital for new investment comes from internally generated savings we can see that this is a most serious matter.

The hon. member for Edmonton West had some acid comments about the Canada Development Corporation. I will not make acid comments about it until I find out what type of beast it will be. It has had a number of sea changes and it may have some more. I can see that such a corporation might be

extremely useful, not to buy back foreign-owned holdings in Canada which, to be fair, I frankly believe is an imbecility, but to act as a means of expanding the Canadian economy in Canadian hands so that the proportion of foreign-owned holdings in Canada will decline in relation to the whole.

I can see where the Canada Development Corporation could be a very valuable institution into which to pool a large part of the capital required for our expansion.

The hon. member for Edmonton West had some scathing comments, or, to use another word, some deplorable comments to make about the effect of the Canada Pension Plan and that it drained so much money from the private sector into public hands. No one would expect me to sympathize with the hon. member on that score. I wish at this time to reiterate a proposal that I have made a number of times in the house. I hope that the Minister of Finance at some time will see that my proposal is not so much for a publicly owned banking complex as something that it would be sensible for a harassed minister of finance to follow. My proposal is that we extend the operations of the Canada Pension Plan and that we offer the Canadian people a series of options. I do not see why we should allow private groups—and we are licensing more and more of them every session of parliament—to take control of the savings of the Canadian people and to do with those savings what they will. Indeed, if the minister is concerned about continuing the flow of United States capital to balance the outflow and to produce investments he will keep a careful eye on the investment dollars of life insurance companies in Canada, both Canadian and foreign owned, and he will find, interestingly enough, that there is nothing to choose between them in their investment policies.

Canadian and foreign owned life insurance companies invest up to 50 per cent of their total investments outside Canada and not in the development of this country. That is a compelling argument for expanding the operations of the Canada Pension Plan in such a manner that it will attract the vast bulk of the savings which now go into private hands, and over which, as investment funds, we have no control.

I, too, wish to say a word or two about the reform of the international monetary system. First, I wish to pay tribute to those officials of the Bank of Canada who have worked extremely hard in presenting Canada's view at international conferences on this matter—regrettably, without too much success—and I express the hope that before long we shall persuade the other trading nations of the world of the necessity of establishing a new and additional unit of international exchange; I hope that we shall not be frightened by the possible implications of such a move that was suggested first, I think, by the prominent economist, John Maynard Keynes. I think that it was the late Lord Keynes who said, after he had introduced his idea of Bancor, that if it were adopted it would be the first step toward global administration.

He should have kept his mouth shut, because I am sure his suggestion frightened many people off at that time, just as I am sure the same idea frightens them today. Nevertheless, so far as I am concerned, this is an added argument in favour of a reformed international monetary system. If exchange positions have been acute up to now—and I know that opinions vary on this topic—I think we can all be sure that they will become increasingly acute as the United States economy suffers from increasingly severe strains owing to its military commitments in southeast Asia. The United States strains will bring an almost unbearable load to the international monetary system and methods of exchange as they now exist.

I was greatly heartened to see that in Canada we have extremely competent people in the Bank of Canada who are fully aware of these problems and are advancing our ideas in the world. I hope that the minister and the Government of Canada presses these ideas as decisively as possible.

The reform of the international monetary system is essential, not merely to deal with the present volume of world trade, but, more importantly, to solve the problems of the present century in promoting the development of the undeveloped countries of the world and to enable their populations to enter the twentieth century. That can be made possible only by the technological revolution of our times. Nothing must be allowed to stand in the way of that development. It is not a matter of charity, philanthropy or humanitarianism; it is a matter of survival. If Canada and the other members of the affluent world are not prepared to grapple with this problem of developing the undeveloped countries, then humanity will be in a precarious way. One of the tools with which we must work is a modernized international monetary system of exchange.

With those words I share with the hon. member for Edmonton West the hope that the minister, before we are finished this debate, may give us his ideas on these and other points which I am sure he has in his mind.

Mr. Rynard: Mr. Chairman, I wish to bring a few points to the attention of the Minister of Finance. I criticize the failure to provide sufficient funds in the estimates in those areas where money is so sorely needed. Also, I wish to compliment the minister for removing the sales tax on drugs, something which I and other members of the house have advocated for many years. That was a worth-while step.

I am interested to know what the minister intends to do with respect to the drug industry as an industry. I shall mention only a few firms. In this country we have old firms such as Ayerst, McKenna & Harrison, Limited which produces natural hormones for the production of estrogen and other valuable drugs as well. Such firms produce drugs which are of great benefit to Canada and other countries. The industry also employs many men who do research that is beneficial to agriculture. Especially useful is that research that has to do with mares for the production of estrogen.

• (4:20 p.m.)

I refer also to the Warner-Lambert firm, a multimillion dollar outfit that came to Toronto and is doing medical research, research into the production of drugs, which we have not got at present, and research in many fields which if it was not done would be a great potential loss. I also want to draw to the attention of the minister that this firm brought in Dr. Lumb, a British scientist doing research in the United States, which is one instance of a reverse brain drain. They were able to set up in Toronto a multimillion dollar investment in plant and equipment. I am also going to mention Smith, Kline and French. They have invested over $2 million in the Montreal area where they are conducting an extensive research program.

What is the intention of the government? Is it to remove all the advantages of this drug research or do they propose, as they propose in industry, to subsidize all those industries in Canada which find it difficult to meet competition from abroad? I think these are the questions that the Minister of Finance must ask himself, because the drug industry in Canada is far too important to write off with a shrug saying that cheap drugs are the only advantage we require in this country. We have to think of the research done and the scientists and other people who are trained and developed in Canada, as well as employment. Has this investigation been done?

I want to deal also with the health resources fund from the point of view that today we are tremendously short of doctors. Three years ago I drew this problem to the attention of the hon. member for Davenport, then minister of finance, and said the government should be getting ready to provide finances to run medical schools during the summer. This government brought in the medicare legislation two years before it goes into effect. I do not blame the Minister of Finance for the delay because he said there were certain financial problems involved, but I am saying that he said: Come what may we are going to bring it on July 1, 1968. I want to ask him what provision has been made to service the medicare contracts that they propose giving to the Canadian people. Are they going to cheat them and say they cannot possibly fulfil them because they have done nothing to guarantee there will be the number of doctors required to fulfil the demands of medicare across this country?

I have urged him to do this and newspapers have urged him to do it. There have been half a dozen editorials such as one in the Toronto *Star* a couple of weeks ago urging the government to supply the funds for summer terms in medical schools. This is an easy thing to do. It is not expensive. All you have to do is have the medical students who are taking a six year course at Queen's or at the University of Toronto take summer courses and you will create doctors in four years. This would mean an increase of one and a half times in the number of doctors graduating. This would in some measure meet the requirement for doctors set out in the Hall commission report.

Some may say, why was it not done? The biggest problem, according to what I have been told by people in the know or who should be in the know, is that funds would have to be provided to enable these medical students to go to school in the summer and not have to go out to work. The money could be made available through loans because once they graduate they are able to earn the money to repay any advances. But over and above that you will not be cheating the Canadian taxpayer out of something he is entitled to receive and for which he will be paying the bill under medicare.

Just in case the minister thinks I am rather hot on this point I want to draw his attention to an article by Dr. K. C. Thomson, past

president of the Canadian Medical Association. He was describing the health resources fund of $500 million. This fund which was announced with glowing praise was described as a source of moneys to provide Canada with health education facilities. The need had been emphasized earlier by the Hall commission as a requirement to be met before Canada introduced any medical health insurance scheme whatever.

The minister said it is coming on July 1, 1968, without proper preparation. That is the only conclusion one can draw. The Hall report called for a great increase in doctors, nurses, technicians and all the personnel required for adequate medical care before medicare was instituted. Doctor Thomson goes on to say it is all right to build these structures if the provinces can match the grants dollar for dollar. Again I want to say to the minister that taxes went up 14 per cent federally last year. Some of us criticized him for that. I did not criticize him on that occasion. But at the same time provincial taxes across Canada went up by 25 per cent. I know he wants to be fair. With these increases, how in the world can the provincial governments go ahead and match the health resources fund dollar for dollar unless they are among the wealthiest provinces in Canada? I do not believe any of them can do it.

But after the minister has done that and has provided for the buildings, what about the staff facilities? What is the use of putting $500 million into buildings if we have not got the personnel to operate them? It comes back to the point that we are not providing the funds to do it. Again I quote this medical research report. It states that medical research needs a minimum of $56 million during 1967-68. For 1967-68, government grants total $25 million or less than half the amount prescribed in the report. This is not good enough. I tell you, Mr. Chairman, that there is a crisis in the medical profession. Town after town in Canada is without doctors. I drove through one the other night which the doctor had left just the other day. In the town of Wingham two of the four doctors have pulled out and of the two who remain one is suffering from a heart condition and the other is getting along in years. There is a hospital in that town. Who will serve the public there? Who will do the night calls?

I am not blaming the federal government entirely because this is also a provincial affair but I come back to the point that the federal government is not pulling its weight in providing the necessary funds so that the provinces can discharge their responsibilities. This is the point I am making. I want to read again from Dr. Thomson's report and put it on the record that we cannot afford to forget research. Canada has a brilliant record. He points out that the American Medical Association has quoted the Economic Council of Canada as the authority for saying that 2,000 graduate physicians and surgeons left Canada in the decade 1953-1963.

• (4:30 p.m.)

That is over a ten year period and it means 200 physicians per year. At present it costs $50,000 to graduate a doctor. I do not have to belabour the economics of that because the minister should be smarter than I am in this field. Further, many of those who go to the United States are doing research work there.

We in Canada have had a spectacular record in research. It was in Canada that insulin was discovered by Banting and Best. Look at the boon to diabetics that was and money it has brought in on patent rights. We had Collp with the isolation of hormones from the parathyroid, the pituitary and the placenta, the discovery and introduction of anti-coagulants, major surgical achievements in epilepsy, and revascularization of the heart vessels. Look at Montreal, at Vineberg and the work he did. Other Canadian successes have been the use of hypothermia in surgery, cyclopropane in anesthesia, and the identification of the sex chromatin. I could continue with the list.

The Canadian Medical Association reports on the brain drain and hopes that it may be stemmed or even reversed. Dr. Thomson and his associates hope so. Just in case the minister might think I am over zealous I wish to quote an article which appeared in the Oshawa *Times* on June 5, 1967. It reads:

> The shortage of medical men in Ontario is a problem of growing and serious proportions.

And this applies across Canada.

> Back in 1964 anxiety over the situation was expressed by the Hall Royal Commission on health services . . .
>
> The four medical schools of Ontario have been graduating 300 doctors every year since the second world war. In the same period the population has almost doubled.
>
> According to Dr. John Evans, dean of the medical faculty at McMaster University, the profession is fighting a "losing battle" in trying to supply new doctors.

I want the minister to pay particular attention to that because he is the one who finally

put the stamp on medicare which is to come into force on July 1, 1968, no matter what happens. I continue the quotation:

A start has been made. At Queen's, Toronto, Western and Ottawa, medical schools are being expanded. A new medical school at McMaster will open in two years.

But Dr. Evans claims that this is not enough. He suggests that the medical course should be shortened.

I am not an expert on the training of doctors and I am sure the Minister of Finance is not either, but I believe we can shorten the present course to four years by making it a continuous course and dividing it into three semesters. By doing that we would produce as many doctors in four years as it is presently taking us six years.

It now takes a medical student seven years after grade 13 before he can qualify for practice. Another two or three years must pass before he can specialize.

Now comes the point that I want the minister to consider:

If the government underwrote medical education completely, it would not be necessary for students to take four months off in the summer to earn money to continue, the Kingston *Whig Standard* comments.

In passing I would point out that the Minister of National Revenue comes from Kingston where Queen's University is situated.

Under a new system training could go on all year. Also, as is being shown at Queen's, the course can be safely shortened by eliminating non-essentials. McMaster plans to cut a year off the four years of medical studies by carrying on all year.

It would not be a loss to Canada if the government underwrote medical education completely. The money could be given as loans to students and every nickel would be paid back. Such a scheme would guarantee more doctors and perhaps stop some of the brain drain to the United States.

Another thing I want to point out to the minister is that it is my understanding that at present we have fewer interns in Canadian hospitals than we have had at any time during the last five years. At the same time there is more outpatient care at our hospitals. Outpatient care is increasing at the rate of about 15 per cent per year but the hospitals are understaffed. I ask the minister, what does he propose to do about this? He is the one who put the stamp of approval on the medicare bill which is to come into operation on July 1 next year.

I am not being critical of the minister. I am not being critical of anybody. I am merely trying to direct the attention of hon. members to a very serious situation. Every dean of medicine across Canada can testify to the crisis we find ourselves in today, but the government sits here, not providing the funds to do the things that are necessary in order to graduate the doctors that are needed. The situation is so bad that if a person moves to another town and does not know a doctor there or is not recommended to one the only place he can get attention is in the emergency department of a hospital. This is because all doctors are busy and overworked.

I warn the minister that a cracking point comes, and the cracking point in this case comes when governments make a second class profession of the medical profession because of their lack of support. I appeal to the Minister of Finance to provide the funds necessary to allow medical schools to operate during the summer. He should also provide funds for teaching and facilities in the new medical centres which are to be built whenever the provinces find themselves in a position to match dollar for dollar the funds granted by the federal government.

Mr. Herridge: Mr. Chairman, I was raised in a somewhat Calvinistic atmosphere in my home. I was always told by my father and mother that I should never buy anything unless I had the cash to pay for it. I have tried to practice that throughout my life. They also told me that if I denied myself in order to save money to buy the things I wanted, I would get more happiness from those things than if I went into debt to get them. So, Mr. Chairman, although I am one of the most progressive members of this group I am somewhat influenced by my home environment when I approach questions of finance.

I have always believed that the people of Canada are entitled to all the programs they are willing to support but that nothing is free. People are entitled to all the programs they want if they are willing to support the taxes required to pay for the programs. The money has to be taken from some one. No government can give anything in the way of services or funds to any group of person without taking it from some other group or person in our society. We have to realize the significance of that.

First, Mr. Chairman, I want to say I appreciate the minister's personal attention to any problems I have brought to his notice. I might say that my constituents also appreciate receiving copies of his letters which show

that he has replied in person to the problems they brought to my attention and that I later brought to his notice.

• (4:40 p.m.)

Let me say that I was glad to hear that the competent officials of the Bank of Canada are working to promote international monetary reform. I think this is urgently necessary in the first instance if we are going to have complete national control of our own finances and independence in that direction, and also if we are to accept our global responsibilities to the underdeveloped countries which require our assistance on a logical, long-term and sound basis.

Once again let me bring to the minister's attention that I am one of those who believe that the Bank of Canada can be used to provide the social capital required by federal, provincial and municipal governments and that we should utilize the Bank of Canada for that purpose. I understand there are certain steps being taken in this direction but that nothing very much has been done to date. When I look at our debt charges, which I judge to be over $127 million per year, I think this is more than ever necessary.

I am not going to repeat the things I said the last time I spoke on this subject, but I should like to bring to the minister's attention some interesting correspondence from a certain gentleman writing on behalf of the Social Credit federal election association. Fancy me quoting them. The letter is from the honorary secretary, Mr. George Howland, 361 Vancouver Avenue, Nanaimo, British Columbia. The correspondence reads as follows:

A reduction or cancellation of the 8 per cent of bank deposits gives a golden opportunity to provide for short term interest free loans to be made available.

The bank should not have so valuable a proposal handed to them free of charge, so to speak.

Part of the extra dollars which would come within their grasp should be made, by compulsion, available to those provinces asking for interest free loans, when they can back their requests with satisfactory evidence that they could supply as cover, bonds saleable on a par with other gilt-edged securities.

It is an indisputable fact that Mr. Robert Thompson, leader of the Social Credit party and Mr. T. Douglas, leader of the New Democratic Party are 100 per cent in favour of interest free loans; letters from them are evidence of this. If the Creditistes and either the Liberal or Conservative leaders also favour such loans, now is the time for action.

Today we are having a revision of the Bank Act; to lose this opportunity might mean many years wait for another one.

[Mr. Herridge.]

Mr. Sharp: Has the hon. member converted his fellow N.D.P. members?

Mr. Herridge: Yes, and I shall read a letter which will show that I am right on the beam. This correspondence was sent to my leader who replied on July 2, 1965. I want to place his letter in reply on the record. It is addressed to Mr. George Howland and states:

Dear Mr. Howland:

Thank you very much for your letter of June 25 and for enclosing the leaflet advocating interest free loans to provincial governments and local government bodies.

This is in keeping with the program of the New Democratic Party. Indeed, I think we must go further and have the federal government make grants for at least 50 per cent of the expenditures for schools, hospitals, etc. in areas which require such assistance.

Thanks again for writing me in this connection and kindest personal regards.

Yours sincerely,

T. C. Douglas.

I hope the minister will not ask any more questions as to whether I am dealing with party policy, because this is the best evidence I could possibly give of my leader's support for the programs I have been urging upon the Bank of Canada from time to time. A great deal could be done in this direction because these loans would be made on our ability to repay, on our resources and industrial structure, as well as on the capacity of the Canadian people to produce. Why should we not use the Bank of Canada to develop our country in the way I suggest?

I was very interested in the remarks of the hon. member for Nanaimo-Cowichan-The Islands regarding the accumulating Canadian pension fund capital. Surely that could be used in conjunction with action on the part of the Bank of Canada to promote public and private investment in this country. Surely there are plenty of opportunities for this money to be used on a sound and satisfactory basis.

In addition we have the Industrial Development Bank which provides capital for smaller private industries. It has been very useful to several small industries in my own constituency which required assistance at a certain time. As a result of that assistance these industries were established, have become successful and have grown.

I believe there has been a failure in recognizing the great opportunities for the development of the credit union movement in this country as it relates to the mobilization of the savings of the working people. I called the

first meeting for this purpose in my constituency when I was in the provincial house and helped organize the credit union in Trail. At the time this credit union was organized there were six or seven people present and it was obvious that many of the workers did not feel the working man could handle his own money properly. It may be of interest to note that at the present time in the constituency of Kootenay West there is over $15 million in the capital of credit unions. They provide loans to working people in respect of consumer goods as well as an opportunity for investment. These credit unions are now supplying money to road contractors and people of that sort, and did so particularly at a time when they were unable to obtain money from the banks. The federal and provincial governments could do a lot more to promote and stimulate this movement.

What we need at this time is a national credit union act. This is particularly true because these credit unions are operating as a result of the participation of those Canadians concerned. This provides a tremendous opportunity for the mobilization of a very large amount of capital which can be used for consumer loans, investment and in the development of small local industries in the areas where the credit unions are organized. When the minister replies I hope he will indicate the government's intention in respect of a national credit union act. Let me emphasize the fact that there is tremendous opportunity in this field and tremendous enthusiasm on the part of those groups who utilize these credit unions and support them.

I should also like to ask the minister what progress has been made in the study of charitable donations. Chambers of commerce, farmers organizations and other groups have throughout the years made certain representations in connection with exemptions for donations to charitable organizations. I am in favour of providing an exemption if the donations are actually made to charitable organizations and not to organizations masquerading as such.

• (4:50 p.m.)

When the minister replies I hope he will have something to say in this regard, and I hope he will give some further consideration to those individuals who are holders of perpetual bonds. I have received quite a lot of correspondence about this matter, as I am sure other members have, and I have always felt that these people were not being treated fairly in respect of the small amounts they hold. I think consideration could be given to their circumstances, especially where they bought these bonds having in mind that they would be something to fall back on when they reached retirement age. The persons I hear from generally are those who have a number of these bonds and who expected the interest would be available and would be useful at a time when they were no longer working. I do urge further consideration of this problem.

I had several other questions to bring to the attention of the minister. I have written him about these matters and he has replied promptly and in detail. I think consideration should be given to the sort of overlapping between federal and provincial responsibility in connection with certain financial questions, acceptance corporations and things of that sort. It is a very foggy area at the present time and should be more clearly defined.

That is all I have to say at this moment. I certainly look forward to hearing what the minister intends to do about the several matters I have brought to his attention. Before I sit down may I say I can almost feel that I have made him a convert to my philosophy with respect to the issuing of loans by the Bank of Canada to all governments that require them for investment in social capital.

Mr. Diefenbaker: Mr. Chairman, I ought to say a few words about the estimates of the Department of Finance. I regret that the former minister of finance, now President of the Privy Council, is not here to give the house the benefit of his philosophy, which for some reason seems not to be accepted by the present minister and others of the cabinet. But the Minister of Finance's loss is NATO's gain.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Totally unacquainted with international affairs, the President of the Privy Council left Canada a couple of days ago to accompany the Secretary of State for External Affairs to deal with problems of NATO. This is a matter of very considerable importance when one considers the expenditures in respect of foreign affairs. Whether there is any significance in the fact that he is now abroad, having expressed the view that NATO should be abolished, will be an interesting study during the days ahead.

Why did the former minister of finance depart this country at a time when his views would have been so helpful, namely, when the estimates of the Minister of Finance are before the committee? The President of the Privy Council has gone abroad to deal with

international affairs, a subject he has shown no capacity to understand up to the present time. Is it a fact that having joined the entourage for NATO is the first indication by the government that his views are now being accepted and that NATO, at a time when it should be strengthened, faces the danger of being weakened if the philosophy of the former minister of finance is accepted? These things occur to those who endeavour to look at what is called in certain circles the spectrum created by a government that goes every direction on every subject and is always able to say that some minister has taken a position contrary to that followed by the others.

In this centennial year the Minister of Finance has much to boast about. It begins to look as though he will be the Minister of Finance with the greatest deficit in Canada's peacetime history. It looks as though we will have a billion dollar deficit unless there is an assiduous application of paring down. Up to the present time this government has shown no sign of believing in the necessity of that. The Minister of Finance is able to boast in centennial year that he has introduced the heaviest taxation in Canada's history. During his period of office he has increased taxation in several fields to the extent of hundreds of millions of dollars. He is able to boast in centennial year that under his administration the highest cost of living in all history has been attained.

These things are deserving of mention, particularly when it is realized that the minister belongs to that group that had all the answers to all the problems in 1963. At that time, when Canada was spending something over $6 billion, it was a frightful situation for this nation. This year it will be at least $400 million more.

An hon. Member: Four billion dollars more.

Mr. Diefenbaker: Yes, $4 billion more. After all, as Mr. Howe said, "What's a million, anyhow?" The only difference between Mr. Howe and this government is that they have substituted "billion" for "million".

I do not wish to deal with the budget directly at this time, but I am sure, Mr. Chairman, you will allow me to say that while everybody commends the removal of the tax on drugs it is particularly appropriate, having regard to the things I mentioned a moment ago—the prospective billion dollar deficit, the highest taxes in Canadian history and the highest cost of living in Canadian history—that aspirin will now be cheaper. This will no doubt assist Canadians as a whole to suffer less pain. Again I say I do not want to deal with the budget because it will be dealt with later. In fact there was no budget; therefore there can be no infraction of the rules in simply referring to that document.

I wish to deal with the fiscal payments to the provinces. There, too, the great men who now sit opposite had all the answers. They would bring about a fiscal system that would help the provinces, and deny any possibility of injustice or unfairness. On page 149 of the present estimates the statutory payments to the provinces are listed in accordance with the recent fiscal arrangements. During our period of office we would not have had a deficit in any year, I think, had it not been for the increased payments that we made to the provinces in order to assist them to discharge their jurisdictional authority and responsibility.

Some hon. Members: Hear, hear.

• (5:00 p.m.)

Mr. Diefenbaker: In 1958 we entered into new agreements. We did not have to enter into new agreements; the agreements still had four years to run. We entered into new agreements because we realized that the provinces could not carry out the responsibilities set out in the British North America Act. We helped them. We gave new hope to the Atlantic provinces. We made it easier for the people of the maritimes to walk as Canadians, upright and without fear. The hon. member for Victoria-Carleton, who at that time was premier of New Brunswick, knows it well. Now what has happened? The government has been tinkering with this problem, failing to face up to it.

The figures relating to the distribution of increases in 1967-68 over the previous year give an indication that there is something radically wrong with the fiscal policies, of this government. In 1967-68 Newfoundland is to receive $71 million compared with $47 million in the previous year. Prince Edward Island receives $14.2 million compared with $10.4 million. Nova Scotia receives $79.3 million compared with $50.8 million. New Brunswick receives $70.6 million compared with $46.4 million. Even with these increases the provinces cannot carry out their responsibilities.

Quebec receives $280.5 million compared with $158.7 million in the previous year. Ontario will receive in 1967-68 $18.8 million and in the previous year it received $17.1

million. I will leave it to the Ontario members to devote themselves to the study of the figures that I place before the committee.

I come to western Canada. Manitoba receives $34.2 million compared with $30.7 million. Saskatchewan was forgotten. It is to receive this year $28.9 million compared with $35.4 million, a substantial reduction of some $6.5 million. Alberta will receive the same sum as it did the previous year. Why has there been such a reduction in the sum given to Saskatchewan? What is the variety of abstruse mathematical calculation performed in the recesses of the Department of Finance? Why was this done. All the mathematical formulae that can be produced, all the juggling that the minister can do, cannot explain the unfairness to the province of Saskatchewan. I would be the last to suggest that there were any political connotations or that the province is being penalized to any extent because of the last federal election. But why is there such a situation? Am I unfair in this criticism?

Anyone who thinks so should hear what the premier of Saskatchewan has to say. He knows this government. He is fully acquainted with the Minister of Finance, and his views are of a nature that I would not want to repeat them in the House of Commons lest the government blush with shame. Somewhere in this equation there is an X factor. Is the X factor related to the voting record? These are questions that naturally arise. The minister cannot say that the province wanted it this way because he will recall his hurried trip to Toronto to meet the premier of Saskatchewan. That was not a get-together for social purposes. What explanation did the minister advance to the premier of Saskatchewan for having knocked down the $35 million to approximately $29 million? These are things which we would like to hear about from the minister.

The situation today in dominion-provincial fiscal relations is far removed from the concept that the Fathers of Confederation had in mind and also far removed from the principles that activated the Mackenzie King and St. Laurent administrators in their day. No glib response can answer the charge that this government has failed the provinces. There is no question about it. It is because it has failed the provinces that it refuses to convene a dominion-provincial conference on the subject of confederation. We have asked for it. The Canadian people are in a mood to bring about the necessary agreements on the constitution in keeping with the experience of 100 years, agreements which will assure the provinces that they will be able to carry out their responsibilities.

We were told for about a year and a half the government could not act. The minister said he could not do anything because the Carter commission had not reported. When the Carter commission did report the alibi was that they had to examine the recommendations very carefully. That is true and I can understand it. Now consideration is to be postponed again. There is to be another meeting as mentioned today by the Prime Minister. It is just simple eyewash on the part of the government to pretend that it intends to do something about the Carter recommendations while at the same time it does everything it can to postpone and procrastinate in anticipation hopefully of not having to do anything. What is going to be done? This cannot go on. Confederation cannot live with the day to day and year to year handouts which this government perpetuates.

There will have to be acceptance of the principle that in certain fields the provinces have rights of taxation, otherwise we will build up within this nation concepts far removed from the determination of the Fathers of Confederation. I might deal with this later after the minister gives an answer to the questions that have been asked.

I come to a matter of interest not only to Canada but to western Canada in particular. What has happened to the Bank of Western Canada? It was not very long ago that Sinclair Stevens and his group, B.I.F. and all the subsidiaries which he had gathered together, were going to operate the bank. This was the new wizard of finance with all the ideas. Trust companies were absorbed and included in B.I.F. He decided he should go into the banking field. One can understand why he thought action was necessary. I should have paid a further tribute to the minister. He is the minister who, in this confederation year, has produced the highest interest rates. Everybody is being mulcted under this government. We have the highest taxes, highest interest rates and highest cost of living.

• (5:10 p.m.)

Mr. Sharp: The highest standard of living and the highest employment.

Mr. Diefenbaker: I heard the highest employment. Don't you think you ought to—

Mr. Sharp: You don't want to hear about it.

Mr. Diefenbaker: No, I am not waved aside when he waves his imperial hand as easily as the flunkies under the minister.

Mr. Sharp: Just as you are doing.

Mr. Diefenbaker: I say to him, when he speaks about unemployment, will he tell us why the number of unemployed in Canada is approaching, if correctly computed, half a million?

Mr. Robichaud: Half of what it was in 1960.

Mr. Diefenbaker: Here is the fishmonger general, the man who cannot look after the skinning of seals. If you want a man who knows and understands skinning, then I say to the Minister of Finance, get the Minister of Fisheries. He is an authority on that subject. I am glad he interrupted. Any further interruptions from him will be welcome.

Mr. Robichaud: I am glad to help.

Mr. Diefenbaker: The minister should not get annoyed.

Mr. Sharp: I am not annoyed.

Mr. Diefenbaker: I have a great regard for the minister when I see him on television. I say, there but for the grace of God—I listen to him because there is something deeply attractive about him. He and I are not blessed with physical beauty but he has an attractive manner. He should not get annoyed now. If I thought he was going to get annoyed, Mr. Chairman, such is my regard for him I would not continue. The question of unemployment is a touchy one for him. He is aware that the Canada-United States automobile agreement is now being revealed as unjust to Canadian workers in so many types of manufacture. I was dragged into that because of the interruption, so I return now to the Bank of Western Canada. If the Minister of Fisheries has anything more to say, I welcome it because it will not be long before he goes to the other place whence no one returns.

Mr. Robichaud: Will the right hon. gentleman permit a question? Will the right hon. gentleman, before talking about seals, check the position of his own members on this matter?

Mr. Diefenbaker: I did not know they wanted to be skinned. All I have to say to the minister is that it is fortunate he is about to go to the other place because something will have to be done. He has stubbornly refused to accept the recommendations of such bodies as the council of the city of Windsor.

[Mr. Sharp.]

Mr. Robichaud: Oh.

Mr. Diefenbaker: Don't laugh at the city of Windsor. It is fortunate the Secretary of State for External Affairs is not here. Don't ridicule the city of Windsor or there will be further division within the government.

What about the internal struggle that is going on in the Bank of Western Canada? Is the government not aware of the potential damage to investors in the Bank of Western Canada? Will the minister say what the present position is? A licence was given. Can a bank receive a licence on the authority of parliament and fail to be set up as a chartered bank

What has happened in connection with the Bank of Western Canada represents an elegy of indifference to the interests of western Canada. What is the minister going to do about this? Will he place before the house and the country the position he is taking? What is he doing to bring reason among the warring factions? The Bank of Western Canada was set up particularly to assure that the western provinces would have a chartered bank. Difficulties arose. It was found that the controlling group was mainly from elsewhere, at least, that was the allegation. Today the question is being asked, what is the present position? This is something that comes right under the minister's department. He has these things at his fingers' ends. He will be able to answer without difficulty.

Is the Bank of Western Canada, which parliament set up after a two-year fight in the other place, to be permitted to die or to be in a state of suspended animation because of internecine strife? The people of western Canada expected the bank to be set up at the earliest possible date. I think it was expected to open in April or May. There is no indication now of any action.

I ask the minister to clarify the two matters to which I have referred. Later, if the opportunity arises and the minister is still in the good humour he is exhibiting at the moment, I will have a number of other matters to raise.

Mr. Haidasz: Mr. Chairman, my interest in taking part in the study of the estimates of the Department of Finance this afternoon arises both as a doctor and also as the member for Parkdale. I wish to express my appreciation to the minister for having taken steps, as outlined in his budget, to reduce the

cost of drugs and for announcing the date on which the federal sales tax on drugs will be eliminated. In my personal experience I have had patients who could pay for the diagnostic services but had to forgo treatment by drugs or medication because of their high cost. I am happy to tell the minister that patients who have been in that predicament will find it easier to purchase the drugs they need to treat their ills.

The second reason for taking part in this debate on the estimates of the Department of Finance is to express my appreciation for all this government has done to assist municipalities in relieving the local unemployment problem and providing more public services. However, I should like to emphasize again the necessity for increasing financial aid to our municipalities. I have at hand a letter I received from the mayor of the city of Toronto requesting the Minister of Finance to take into consideration a resolution that was passed at the national conference of the Association of Mayors and Reeves in Niagara Falls on May 16. This resolution urges the government of Canada to enact legislation to exempt from income tax the interest payable on bonds issued for purposes of providing public housing. Such legislation would reduce income tax revenues but municipalities would gain through reduced interest charges. Similar legislation, Mr. Chairman, was enacted under the Kennedy administration in the United States. I hope it will be possible to have such legislation introduced in our parliament.

• (5:20 p.m.)

I should also like to bring once more to the minister's attention the plight of the home owner, especially in the city of Toronto. In the past 12 years the residential taxes of home owners in Toronto have doubled. Today taxes are at an intolerable level. I hope it is possible for the Minister of Finance to study the feasibility of exempting residential taxes from federal personal income tax levy.

The third point I wish to make is to bring to the attention of the minister the plight of those Canadian citizens who are still awaiting the settlement of their claims against certain governments of Europe. These are claims that were submitted many years ago but are not yet settled. These people, who are all Canadian citizens, have had property nationalized or confiscated by governments in Europe and they believe that today these governments are in a position to make a settlement of their claims. I would ask the Minister of Finance to make a statement this afternoon or at some other time on the progress of the negotiations in respect of such claims.

Mr. McCleave: Mr. Chairman, I have a very simple request to make of the minister and perhaps he could reply to it when he replies to the other requests that have been made. I want to raise a problem in connection with the working mother who is a widow, has children and perforce has to engage a babysitter to look after her children while she earns their keep. I think that this problem is fairly common in different parts of Canada, and it is one I should like to see tackeld by the Department of Finance through the budgetary laws of the country to the end that such people may be given some relief. For a few hours of the day they are required to hire a babysitter for their children, and part of what they earn is spent on this purpose.

When a man suffers bereavement through the loss of his wife certain provisions in the income tax law give him relief. However, this problem has been drawn to my attention by various widows in the Halifax area. I realize that the widows in the rest of Canada belong to the hon. member for Kootenay West but there are a number who are pleased to present their problems to me. I believe that the problem is a substantial one with which parliament should come to grips. Such expenditure is surely a legitimate expense that should be deductible from gross income. Parents do have obligations to look after their children and payments of this sort in effect reduce a widow's earnings. I hope my short plea will commend itself to the minister and his department and that something can be done for these people.

Mr. Winch: Mr. Chairman, may I open my remarks by saying that I am perhaps one of the few members of the House of Commons who would be quick to tell the Minister of Finance that he is not an expert on financial matters. I assure the minister that when I study company and bank balances, credits and debits, appreciation and depreciation, income tax, corporation tax payments and reserves for same, quite honestly I become completely confused. I am one—I think there are many more like me in this house—who, when I receive my cheque at the end of the month and deposit it in the bank, pay my bills and anxiously look forward to my next month's cheque hoping that what I have left will last

till that time. Therefore in making my remarks this evening I am not speaking as an expert on finances in any way.

There is one phase of financial investment about which I hope the minister will give an explanation to a great many people in the country. I refer to those in the aged group who have only a little money, those typically who have $1,000, $3,000, $5,000 or perhaps $10,000. Thousands of people in Canada who have but little money and do not want to lose it honestly believe that the finest guaranteed investment they can make is in federal government bonds. This is almost axiomatic in the thinking of people with small savings, with only so many years ahead of them, who want to know that they are going to be paid interest on their investment and, in particular, will never lose their capital. In addition, Mr. Chairman, there are certain types of trust, such as education trusts, which by law can invest only in government bonds or, on occasion, in first mortgages.

What has been the experience of these people to whom I refer? Over the months I have received letter after letter from people who have invested their money to provide for themselves in their declining years. However, sometimes an emergency arises and they have to sell their investments. What happens to those who invest in government bonds? They find themselves in a paradoxical situation financially that I confess I do not understand. They sell their government bonds sometimes at heavy loss on their capital investment. I understand the reason for this is the money market, and that when you invest money you do so on the understanding that you hold your security until maturity date. I once had an experience, not a personal one, with an education trust where money was suddenly required and I believe the trust lost about $8 of its capital investment on each $100 bond purchased.

• (5:30 p.m.)

The only point I am trying to make is that there are thousands of people who trust the federal government and who are not familiar with the complexities and intricacies of finance and the effect of the money market on government bonds. As I say, these people trust the federal government and trust investment in federal bonds. I have recently been advised that such people cannot sell their bonds without suffering a capital loss. It is true that they can borrow money from the bank on the security of their government bonds but then they suffer a loss because of the interest they have to pay. The loss through interest payments is not as great perhaps as the loss they would suffer by the sale of their capital investments.

Perhaps my presentation is needlessly complex, but this question concerns thousands of Canadians. They have put their trust in the federal government and in federal bonds. Can the minister say what action people ought to take when they wish to reclaim some of their money? What are they to do if they are not to lose part of their capital and retain their trust in government bonds? The government has needed money and has entered the world financial market. The people of our country have invested in government bonds but when they are in dire need of money and wish to sell their bonds they lose on their capital investment.

I hope that the minister understands the point I am trying to raise because I do not know how else to put it. I have received many letters asking that the problem I have referred to be corrected. Those buying government bonds are real Canadians who by thrift have saved their money and have invested it in Canada. They are people who, when they are in dire need, find that the Canadian government lets them down and allows them to lose money on the capital they have invested in Canada.

Mr. Monteith: I shall be brief, Mr. Chairman, and I wish to ask the minister a question. Though the hon. member for Vancouver East suggested that he was not an expert on finance he expressed himself very well on behalf of those Canadian citizens who have been holding government bonds which have deteriorated in value. I am interested in the minister's reply to the hon. member for Edmonton West's question concerning the reserve unit. The governor of the Bank of Canada in his annual report dealt with this matter, which has some urgency. I am also interested in the minister's reply to the question asked by the hon. member for Parkdale, which had to do with the situation of Canadians with claims against various European governments.

I now wish to ask one or two questions. I am interested in how many refunding issues the minister contemplates for this year and how many new issues he contemplates to meet the projected deficit. Could he outline his intentions in this respect? The other question I wish to raise stems from a letter I

received today and it concerns a suggested reduction in tariffs on church vestments, prayer shawls and the like. A clergyman who moved to Canada and who brought some vestments was told by a customs official that there had been a reduction in the customs tariff on such vestments in the most recent budget but there was uncertainty whether the reduction would take effect immediately. The clergyman is waiting before claiming his articles because he wants to see what is to happen with regard to the duty that is applicable on them. Those are the only questions I wish to ask at the moment.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I want to add to what has already been said about making it possible for women working outside the home to deduct the expenses of babysitters or housekeepers from their income tax returns. They should be able to make a deduction for those expenses in the same way as businessmen deduct for business expenses. It is necessary that this be done.

Great numbers of women working outside the home are the sole support of their families and if their families are not to be neglected they must have housekeeping or babysitting services during working hours. There is no provision in any thoroughgoing way for housewives to deduct these expenses at the present time. We also find that in many families the husband is a widower and has to work and provide housekeeping services for his family. It is important that children should not be allowed to run at large or be without proper housekeeping services. Such expenses also ought to be deductible.

Many women who work outside the home cannot possibly afford from their wages or salaries the expenses of babysitters. In certain countries such as the United States and the United Kingdom the tax position for married women is quite favourable. Here I am thinking about the way married women are permitted to make deductions for their expenses from income tax. For example, in the United States a working wife can deduct up to $900 for child care expenses when there are two or more children, or $600 for one child. The stipulations are that the child be not more than 12 years old and that the joint income of the parents not exceed $6,000.

In the United Kingdom preference is given to working married women. They get a single person's tax free allowance for earnings, in addition to the husband benefiting from the married man's allowance which is nearly double the single person's.

The tax structures in a few countries, on the other hand, appear to be intended to discourage the wives of all but the neediest of husbands from employment. In the Netherlands, for example, a married woman's earnings are taxed 15 per cent if she is not the breadwinner.

My remarks at this time are directed particularly to the plight of the nursing profession. It is essential that married women who are nursing be able to deduct the expenses of housekeeping services. For married nurses, who represent 60 per cent of all nurses employed full time, the present tax policies must be frustrating, costly, and discouraging. That these nurses continue to work in spite of them is proof of their desire to remain active in the profession.

• (5:40 p.m.)

For the 19,781 married nurses listed as "not employed in nursing" in 1965 the present income tax policies undoubtedly discourage reemployment. The return of even a portion of these women to active nursing would do much to lessen the effect of the shortage of nurses throughout this country. This is only one example of what could be achieved by permitting women to deduct the expenses of housekeeping and babysitting for income tax purposes. We are complaining because we lack sufficient numbers of medical personnel. Some people say we cannot launch the medicare plan because we do not have sufficient numbers of trained personnel. I can tell the minister that a great many nurses would be available right now if they were able to deduct for income tax purposes the expense of hiring a proper housekeeper. At present they cannot do so because of the expense which would be involved.

I should like the Minister of Finance to tell us why this should not be a legitimate busisiness expense in the case of women working outside the home. Today 30 per cent of the labour force is made up of women. Why should they not have the same rights as men so far as deductions for income tax purposes on account of expenses are concerned? Certainly, a deduction in respect of housekeeping and babysitting expenses is one which might legitimately be claimed. The most effective way of enabling trained women to undertake important work is to allow them to deduct for income tax purposes the amounts paid in respect of housekeeping services.

I should like to hear whether the minister's ideas have changed in this regard. I would point out that more and more women are bringing pressure on us to recognize the case

for allowing expenses of this sort. Such a concession is only logical if these services are to be given without unnecessary anxiety as to the well-being of the families concerned.

Mr. Aiken: Mr. Chairman, I wish to take this opportunity to make some comments on the general direction in which events in this country are moving. I do so on the basis of reports on Friday last showing a worsening in our balance of trade.

We have been saying for a long time that the government is permitting the cost of living to increase dramatically. I have the figures and I will produce them in a moment. Taxation in Canada has been increasing. The cost of government administration has been increasing in alarming fashion. The number of persons in the government service has increased dramatically—something like 12,000 within the past year. Government overhead expenses, the non-productive part of government, have been increasing faster than the productive portion of this country's economy.

All of us have been asking for months: Where is this leading and where will it end? I think we are beginning to see where it is leading. We have seen in the most recent return from the Dominion Bureau of Statistics evidence of a worsening of our trade position. During the months of April, 1966, imports amounted to $774 million. In the same months in 1967 imports amounted to $973 million, an increase of 25 per cent. It should also be said that there has been an increase in exports and for this, of course, we have to give credit where credit is due. But the increase in exports has not been sufficient to balance the increase in imports since a year ago when there was a small favourable balance amounting to slightly over $1 million. There is today an adverse balance amounting to over $73 million or, in terms of percentage, a 6,000 per cent increase. The result of the use of percentages gives an unreal figure but in fact that is what it amounts to. It is an indication that Canada is losing the fight to provide for its own people by means of its own productive capacity.

At the same time, employment is not increasing as it should and unemployment is increasing. It is not my purpose to stand here, as hon. members on the other side did for two or three years, beating away at the question of unemployment. They knew then, as they know now, that to a degree the unemployment figure is a false one. In many cases it does not mean hardship. Indeed, it is relatively meaningless in some respects because it is calculated on the basis of the numbers looking for work. It is not related to destitution.

[Mrs. MacInnis (Vancouver-Kingsway).]

Nevertheless, we in Canada are increasing the cost of producing goods in this country to the point where we are not competitive with countries abroad. For some time we have been saying this would happen. Now it has happened, as the figures on external trade clearly show. If we were to take the figure for September last and compare it with a month earlier this year, the minister might say: There is a seasonal drop in April so you cannot compare the two months. But the hon. gentleman cannot say this drop is seasonal because I have been comparing identical months. It cannot be claimed that this is an odd or unusual situation because the import balance position has gradually been worsening as far as Canada is concerned. I am very worried in case we are gradually drifting toward the imperceptible point of no return at which we can import goods into Canada more cheaply than we can produce them. When that point comes, we buy more goods from countries abroad and sell less beyond our own borders.

• (5:50 p.m.)

I wonder whether the auto trade agreement has something to do with the situation. The minister may say it is temporary and that in the long run the auto trade agreement may work out to our benefit. But there are a lot of things the government has done about which it has said, "Well, in the long run, this is going to be better." We have to look at the figures which are given to us in this context.

According to the latest dominion bureau of statistics figures which were issued on Friday last, in 1966 we imported $72 million worth of motor vehicle parts. This year we have imported $98 million worth of parts, an increase of roughly $26 million. In 1966 we imported $24 million worth of what are referred to as new closed sedans. This year we have imported $63 million worth, an increase of roughly $40 million. Imports of trucks, tractors and chassis have risen this year to $8½ million from $5½ million in 1966. If this is the benefit we are getting from the auto trade pact, to me it does not seem to be much of a benefit. I could use other examples but I am not going to go into the details at this time.

These are not items for which the Minister of Finance is necessarily and primarily responsible. They are covered by government policy. But we are permitted to beat him over the head with them when discussing his estimates because it is his responsibility to see

that the budget is kept in accordance with the Canadian economy and to see that the economy of the country is kept viable through what the Department of Finance does. I never like being a prophet of doom. I hope the figures are all wrong. I hope we are making great progress, but I cannot see it in anything emanating from the dominion bureau of statistics.

Granted we sometimes take too much comfort or discomfort out of d.b.s. figures because from time to time they may not reflect the true picture. If we want to we can always make a case using d.b.s. figures, but the cost of living figures are very telling. In February, 1963, the year that the government took office, the cost of living index stood at 132.3. From 1957 until 1963 it increased by just over 11 points from 121.9 to 132.3. By 1964 it had increased to 134.5 and by February, 1967 it had risen to 146.1 an increase of 12 points within a few years. The figure for May of this year is 148.1, two full points above the February figure.

We know the reasons for the increase. It is partly due to free spending without real thought given to the productive value thereof. It is partly due to carelessness and neglect. We can blame programs and policies if we like, but with the government permitting the cost of living to increase so dramatically we are losing our ability to compete in world markets, and that ability is one of the fundamental bases of our economy. We are drifting, and I have seen no evidence from the minister's statements that the government is going to halt the drift and say, "Look, we are now at the critical point."

One of these days we are going to lose our markets. We are already starting to lose them. We are importing too many things. We have a great economy and we could maintain it by greater production. We rely on trade but there is something wrong with the current trend. It is going the wrong way and I take this opportunity to protest as strongly as I can. Our balance of trade figures are starting to show a bad trend. We are starting to lose the battle. When the saturation point is reached we will be in great difficulty.

I wish to conclude by referring to another subject. I have been very critical during the past year of the Industrial Development Bank for its lending policy, but in the last few months I have noticed that the officials are making a greater effort and I want to acknowledge that effort. I have noticed that more loans are being made to companies that need help to become productive. I have noticed an increase in the amount of loans made to service the tourist industry, in which I am particularly interested. This trend should be encouraged to continue. Maybe my prodding had something to do with it. I hope the trend will continue because the bank's job is to increase production in Canada. By helping business become more productive we can somewhat reduce our adverse trade balance.

The Acting Chairman (Mr. Dubé): It being six o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Dubé): Order. It is my duty, pursuant to provisional standing order 39-A, 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 (Mr. Orlikow), Consumer Credit—inquiry as to legislation this session; the hon. member for York-Humber (Mr. Cowan), Immigration—U.S. citizens in Canada to escape army draft; the hon. member for Lotbinière (Mr. Choquette), Subvention—Etats généraux du Canada.

• (6:00 p.m.)

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.

CANADIAN WHEAT BOARD

PROPOSED RENAMING AS CANADA GRAIN BOARD

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale) moved:

That, in the opinion of this House, in order to remove any misunderstanding among foreign purchasers of Canadian grains to the effect that wheat only is handled by the Canadian Wheat Board, the government should consider the advisability of introducing legislation for the purpose of renaming the said board the "Canada Grain Board" and thereby indicate that other products such as oats, barley, flaxseed, rapeseed and rye are also handled by this board.

He said: Mr. Speaker, I introduce this motion somewhat reluctantly because the Canadian Wheat Board since 1935 when it came into being to handle Canadian grain because of very serious problems in respect of

price, has built up a very good reputation. At the time it came into being the farmers were not in a position to hold their wheat and sell when the price was high. Very often they had to sell at a lower price because of the need for money. At that time the Canadian Wheat Board handled only Canadian wheat but in 1949 oats and barley were also brought under the jurisdiction of the board.

This year I was a member of the delegation that flew to Russia on the inaugural flight of service between Canada and Russia by Aeroflot and Air Canada. We spent a few days in Russia, and as a result of being able to speak their language I found that many people there thought that the Canadian Wheat Board handled only wheat. They were not aware of the fact that in 1949 this board was given the authority to handle oats and barley as well as wheat.

There is a strong feeling in the three western prairie provinces that rapeseed and flaxseed should also be placed under the jurisdiction of the Canadian Wheat Board. It is my feeling that by changing the name to the Canada grain board we will indicate to people in foreign countries that this board handles not only wheat but all the other grains grown in this country. It may well be that this board will be given the authority before very long to handle other grains, and if the wrong impression which exists in foreign countries is allowed to continue we may lose many markets for these other grains. We now have markets in China, in Japan and in a number of European countries. I might say that Japan is our best customer for rapeseed.

As I said earlier, Mr. Speaker, I brought forward this motion with some hesitation because of the fact that the Canadian Wheat Board has built up a good reputation and has helped the farmers of Canada save a great deal of money by finding markets for their products at stabilized prices. The time has come when the name should be changed. World demand for our grain is growing and if foreign countries have the impression that the Canadian Wheat Board handles only wheat we may lose a number of valuable customers.

I have discussed this matter with some members of the wheat board who feel a little bit reluctant about a name change because of its good reputation. Our customers know that if they buy a certain grade, whether it be No. 1, 2 or 3, through the Canadian Wheat Board they will receive that grade. On the other hand, if the name is not changed to make it readily apparent to prospective customers that the board handles other grains as well our Canadian grain growers may lose these potential markets.

At the present time China and other countries buy mainly wheat from Canada but the time is coming when more rapeseed and other grains will be grown in Canada and markets will have to be found. For this reason I think all grains grown in the west should be brought under the same agency. I hope this motion will not be talked out and that consideration will be given to changing the name from the Canadian Wheat Board to the Canada grain board.

Mr. Russell C. Honey (Durham): Mr. Speaker, I should like to take a little time to discuss my hon. friend's notice of motion, and let me indicate at the outset that I am sure there is no desire on the part of any hon. member to do other than offer constructive criticism of the recommendation contained in this notice of motion. I want to confine my remarks to an analysis of the terms of the notice of motion and, for whatever help it may be, to indicate to hon. members the serious doubts I have as to whether it would be in the interest of the western Canadian producers of grain and the country generally to accept this motion at this time.

• (6:10 p.m.)

I should like to direct my remarks to two aspects of the notice of motion. Perhaps I may do so, Mr. Speaker, by referring to its terms. I think the hon. member who is sponsoring the motion is trying to do two things. First, he states in his notice of motion:

That, in the opinion of this house—

I think this is the hon. member's first point.

—in order to remove any misunderstanding among foreign purchasers of Canadian grains to the effect that wheat only is handled by the Canadian Wheat Board—

I hope I am being fair to my hon. friend when I suggest this is the primary reason for the suggested change.

—the government should consider the advisability of introducing legislation for the purpose of renaming the said board the "Canada Grain Board" and thereby indicate that other products such as oats, barley, flaxseed, rapeseed and rye are also handled by this board.

It would seem to me that the second objective of the notice of motion of my hon. friend is to bring about indirectly something that probably would not pass constitutional scrutiny if the house were to deal with it in this manner. Dealing with the argument of the

hon. member that the change of name should be made to make clear that the Canadian Wheat Board is not merely a wheat marketing agency, I think it would be wise to remind hon. members at this point that the Canadian Wheat Board is at this time a marketing agency in international and interprovincial trade in wheat, oats and barley.

I listened carefully to the argument of the sponsor of the notice of motion. I listened for evidence in support of the hon. member's argument. It was a good argument. However, I should like to have seen it supported by, for example, a resolution of the Canadian Federation of Agriculture, the National Farmers Union, or resolutions of other agricultural groups. I think this would have given the sponsor a much stronger argument to present to members of this house.

As I understood the argument of the hon. member it was based to a great extent on his own opinion. I respect the hon. member's opinion but would point out that it is the opinion of only one member of this house and it is unsupported by the sort of evidence that would have made it a much more compelling argument. It would have been a much more compelling argument if the hon. member could have backed it up with evidence such as I have indicated which might have been forthcoming from agricultural and producer groups.

I wish to make my first argument a positive one and say that I have great concern, and I think other members of this house have similar concern, about whether the change suggested in the notice of motion would create a great deal of confusion in the minds of the customers with whom the Canadian Wheat Board deals. I believe it would have this effect. My hon. friend who sponsored the notice of motion has indicated that such a change would be helpful in eliminating confusion but, with respect, Mr. Speaker, he did not give us any evidence to indicate that such confusion does in fact exist. I believe, therefore, that we would only be creating more confusion in making the change suggested.

I have a personal interest and a little knowledge in this matter because of some years spent in close association with the farming industry of Saskatchewan. I am very anxious to agree with my hon. friend about the reputation the Canadian Wheat Board has earned not only among the grain producers of western Canada but among the customers with whom the wheat board deals.

I well recall, as does my hon. friend, the days before the Canadian Wheat Board was set up in western Canada. In those days there was in the marketing of wheat and other grains a great deal of confusion. It was not a form of marketing that was in the best interests of the producers. I join the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) and agree that the Canadian Wheat Board has done a good job in this respect. I suggest to hon. members that we would not want to detract from the good job the board has done. In particular we would not want to detract from the relationship of the Canadian Wheat Board with our international customers by changing the name of the board unless there was a good, concrete and compelling argument put forward for our so doing.

In this respect perhaps we should rely on the old saying that there is nothing that succeeds like success. I think hon. members will agree that the fact is that this is the record of the Canadian Wheat Board since its inception in 1935. In the marketing year 1965-66 the board visited 30 countries, some of them several times, in order to maintain the close contact it has with millers, grain traders and government officials in those markets. The hon. member did not suggest that there is confusion in the minds of the officials of approximately 100 countries of the world as to the functions of the board and what products it handles.

The second theme that I suggested is inherent in this notice of motion is one for which my hon. friend is well and properly noted and regarded in the house and throughout the country, at least throughout western Canada. I refer to the hon. member's record of championing the inclusion of other grains, particularly rapeseed, in the list of grains handled by the Canadian Wheat Board. I think the second objective of my friend is to introduce into the list of grains handled by the board flaxseed, rapeseed and rye because these are not not handled by the board in international and interprovincial trade. If we were to adopt the notice of motion it might be a basis for an argument that we were trying to accomplish in an indirect fashion something that the house has felt it advisable not to accomplish in a direct fashion when it has considered the matter. In my opinion the inclusion of flax, rye and rapeseed within the group of grains handled by the wheat board in international markets should be effected by an amendment to the Canadian Wheat Board Act. I think we should not try to make

changes of such magnitude through an indirect method.

• (6:20 p.m.)

As you know, Mr. Speaker, and as other hon. members know, the question of including other grains in the list that the Canadian Wheat Board is entitled to handle in export and interprovincial markets was considered by the house very recently during its examination of amendments to the Canadian Wheat Board Act. It would seem to me, and I make this suggestion to my friend, that if such a change were to be made it was at that time that it should have been made. In view of the fact it was not made at that time, it seems to me the house would not want to give any suggestion, indirect as it may be, of support for such a change at this time.

I do not make these suggestions in a negative sense, nor do I make them in a political sense. I think all members of the house recognize the sincerity with which the notice of motion has been advanced and the weight of argument, although I have been critical of it in some aspects, with which it has been put forth by the sponsor of the bill. However, I suggest that we should be very cautions in adopting this notice of motion. To do so might injure the great reputation which the Canadian Wheat Board has established for itself not only in Canada but throughout our trading markets in the international area.

Although I cannot document it at the present time, I think I am correct that the chairman of the Canadian Wheat Board, Mr. McNamara, when speaking before the agricultural and rural development committee, indicated a great lack of enthusiasm for any change. My recollection is that one of the arguments he used was that a change in name might have the effect of watering down the very substantial reputation which this agency has created for Canada in international markets.

I think there is no doubt that Canadians, particularly those in western Canada and those who have had relations with the Canadian Wheat Board, are of the opinion that this is probably the most successful and outstanding agency of the federal government that we have ever had in our history. I believe my hon. friend, the sponsor of the motion, would probably agree with that. In fact, he said the same thing in different words. In no way would I want my remarks to be interpreted as being critical of the Canadian Wheat Board. All I wish to say is that I think the house should zealously guard the reputation which the board has established for itself both in Canada and abroad.

The last matter I want to mention briefly is one to which I referred earlier. My hon. friend's argument would have been much more substantial had he been able to produce definite evidence of a desire for such a change on the part of the people directly concerned with the operations of the wheat board. To my knowledge the producer groups and the agricultural agencies of western Canada who are most directly concerned with the operations of the board have not indicated any such desire. It seems to me, and I hope hon. members will concur, that until the sponsor, other hon. members or, indeed, the government receive representations from these interested groups that it would be in the interest of the western producers and of Canada generally to make such a change, it is not one of the functions of the house to change the name of an agency which has established a sound reputation for well over 30 years, is acknowledged throughout the world and is particularly appreciated by the producers whom it serves.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was particularly interested in the remarks of the last speaker who seemed to indicate that if the house took some action on this motion it would immediately produce some result. I point out that the key words in the motion are, "the government should consider the advisability of introducing legislation". I do not see how anyone can object to the consideration of the advisability of introducing legislation. I am of the opinion that the house should be willing to consider almost anything and there should be no fear of considering the matter.

The hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) mentioned that he had introduced several times the proposal to consider the addition of rapeseed and other grains to the grains handled by the Canadian Wheat Board. If it were not for the fact that I have been here a long time and heard the predecessor of the hon. member for Humboldt-Melfort-Tisdale refer on numerous occasions to rapeseed in a very decided and knowledgeable way, I might be prepared one of these days to introduce a motion to change the name of rapeseed to "rappseed".

Two points should be taken into consideration in examining the proposed change of name from Canadian Wheat Board to Canada

grain board. First there is the sentimental aspect attached to the name of the wheat board. As the previous speaker has indicated, many farmers in western Canada would be opposed to changing the name to Canada grain board on the basis of the fact that this is one of the few government agencies about which more favourable than critical comments are made. I think that in the main most farmers, most politicians and in fact the majority of the Canadian people accept the Canadian Wheat Board as a viable and very useful implement of the government. For this reason a sentimental and historical attachment surrounds the name of the Canadian Wheat Board. This is the opinion of the president of the Canadian Wheat Board who, as the previous speaker mentioned, has shown little enthusiasm for a change in the name of the board. Incidentally, I find he shows little enthusiasm for any change. For that reason I discount his objection to this change.

The reason this matter should be referred to the committee and why the government should give it consideration is that I believe we could probably solve the problem much better by changing the name of the board to the "Canadian wheat and grain board". Even this does not go far enough because of the simple fact that at present oats and barley are included under the act and these are cereal grains. However, this name would not include other grains such as flax, rapeseed and grass seed which we normally call grains and which are mechanically handled in the same way as other grains but which are not in the same botanical category.

• (6:30 p.m.)

We in the agricultural field consider these grains and seeds to be in the all embracing category of grain. However, there are those who say that grains should be the botanical grains, and the others should be considered as seeds of the oil bearing type. It may therefore be necessary to add grains and oil seeds to the title of the board, so we might get a very complicated name that would not only confuse the farmers but would confuse the board and everybody else. For this reason I agree that there has to be some consideration given to changing the name. It would seem to me that the name might be changed to the Canadian grain board. However, such a change would not accomplish the purpose of the hon. member who introduced this motion.

Mr. Aiken: May I ask the hon. member a question?

Mr. Peters: Yes.

Mr. Aiken: Following the hon. member's line of argument, one might come to the logical conclusion that we could just call it the board.

Mr. Peters: There are so many of them that this would be confusing. I will agree, however, that if you talked about the board in western Canada there would be very little argument about what board you meant. Here in eastern Canada we might get into some difficulty because of the Board of Transport Commissioners and other boards that are better known. Eventually I think we are going to have to solve this problem. Probably the simplest way of solving it is by setting out in legislation a list of the grains to be handled by the board, including flax and rapeseed. I presume such action would not offend the botanists, the farmers or the board. It is possible we will be able to solve the problem by simply including these products under the act.

This matter was raised at a number of the meetings of the agriculture committee in western Canada. I will agree that it received varying degrees of support depending upon the area in which the meeting was held. The matter was raised continually on the prairies and has become a problem we are going to have to face. I agree with those people who believe that the Canadian Wheat Board is in a different position today than it was when it handled coarse grains. We were surprised to find that coarse grains actually were being handled through the Winnipeg grain exchange, and there was a totally different system being used for the handling of these grains. For this reason, there probably has been a good reason for retaining the name.

However, I agree with the hon. member that this is a subject which could well be given to the committee for study to ascertain the effect of such a change upon our domestic population and our customers abroad. If, as the hon. member states, the customers who are interested in purchasing these other grains from us are of the opinion they could not do this with the wheat board, then I feel the wheat board has been negligent in issuing propaganda throughout the world. This board has the responsibility of handling oats and barley. I was of the opinion they were marketing as much of these products as they could. If the suggestion is to change the name to assist in extending the sales of these products, then I feel this measure would be worthy of committee study.

I, Mr. Speaker, would be opposed to accepting this motion as an amendment at the present time, but I believe it could well receive the support of the house if the subject matter were referred to a committee for further study. It is becoming more and more important, with increasing production, that coarse grains and oil seeds should be handled by a board. I can see merit in changing the name, and at least we should be willing to refer the matter to the agriculture committee for detailed study because obviously it is going to become a greater problem in the years ahead.

Mr. R. N. Thompson (Red Deer): My remarks will be very brief with regard to this motion, which has been presented by the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp). I am somewhat amazed at the arguments that have been presented, particularly some of those presented by the hon. member for Durham (Mr. Honey) and some of those presented by the hon. member for Timiskaming (Mr. Peters), although I agree with the latter speaker's basic analysis of the situation. I think I have some familiarity with the agricultural situation in the west. All the farmer in the west is asking is that other grains, including rye, rapeseed and flaxseed, be given the same marketing and handling facilities as the wheat board has provided for wheat. This is not a criticism in any way of the wheat board, but I think it is an expression of the value of some of the facilities it has provided to the wheat grower in western Canada.

I can well understand the hon. member seeking to have this subject referred to the agriculture committee. I hope, too, the agriculture committee of the Liberal caucus will consider it, because it seems to me it is a very practical suggestion. It is not one, really, in which sentiment is involved, although I can understand how sentiment might be involved on the part of those farmers who have been more or less satisfied with what the wheat board has done.

We want the name of the board to represent the actual functions the board is expected to carry out. If other grains have been added to the responsibility of the wheat board, if it is logical to assume the same service is going to be extended to include flaxseed, rapeseed and rye, then it is only reasonable that the name be changed to reflect the two functions of the board. Surely in the years ahead the wheat board is going to be concerned not only with marketing wheat but also these other grains and seeds.

• (6:40 p.m.)

It seems to me that the hon. member for Humboldt-Melfort-Tisdale should be commended for bringing the motion before us at this time. I hope the house can accept it because all he is requesting is that the government give consideration to changing the name of the wheat board to a more distinctive title. Now that the wheat board has taken on a more permanent structure—and it is good this is so—I think it is all the more urgent that consideration be given to this question. The hon. member for Timiskaming has already mentioned that the agriculture committee had this question brought before it at various points during its trip to the west, and it is certainly one that should be given further consideration by the committee and by parliament. The very fact that it has been brought up is indicative that there is genuine worth in the motion before the house now, and I hope hon. members will accept it.

[*Translation*]

Mr. T. Lefebvre (Pontiac-Témiscamingue): Mr. Speaker, since we are considering today motion No. 5, the purpose of which is to rename the Canadian Wheat Board, I wish to make known my views fully.

I first want to congratulate the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) who is certainly an expert in the field of western agriculture in general, and especially, with regard to the growing of rapeseed. Besides, he is the proposer of that motion.

I was able to appreciate his knowledge during a trip to the western provinces with other hon. members, members of the committee on agriculture, forestry and rural development.

During our meetings, he explained to us on many occasions the significance of rapeseed.

However, before voting on such a piece of legislation, I think that we ought to give it further consideration.

[*English*]

There are several other points that should be brought up in a discussion such as that brought on by the motion that now occupies our deliberations. We should consider the implications of the fact that the bulk of our coarse grains production is actually consumed within Canada, whereas the bulk of our wheat production is exported overseas. The Canadian Wheat Board's agents are, of course, members of the grain trade whose Canadian headquarters are to a great extent located in Winnipeg, close to that board. The

bulk of the sales of Canadian grain are made by these grain firms acting as export agents for the Canadian Wheat Board.

Of course when the state trading nations are in the market they do approach the Department of Trade and Commerce and the Canadian Wheat Board in the first instance in order to arrive at an over-all agreement. But by and large the Canadian Wheat Board rely on their agents to sell the bulk of the wheat exports. In like manner I suppose they look to these same companies to merchandize oats and barley.

It therefore seems to me, Mr. Speaker, that while I would take nothing away from the Canadian Wheat Board as far as their excellent reputation in world grain circles is concerned, I would nevertheless have to believe that an equally fine reputation is needed by each and every one of the export grain firms who act as the export selling agents for the board. Those reputations, coupled to that of Canadian grain, are responsible in large measure for the successful marketing operations carried out on behalf of Canadian grain producers.

That would appear to bring me to the second theme that I detected in the motion now before us, namely the handling of flax, rye and rapeseed by the Canadian Wheat Board. During the recent debate on Bill No. C-106, to amend the Canadian Wheat Board Act, several members brought up the subject of putting flax, rye and rapeseed under the jurisdiction of the Canadian Wheat Board, making that board the sole marketing agency for those grains. I was somewhat surprised. Mr. Speaker, when the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) did not rise on that occasion to bring to the attention of hon. members once again his ideas concerning either the changing of the name of the board or the matter of giving the board jurisdiction over flaxseed, rye and rapeseed.

The hon. member for Provencher (Mr. Jorgenson) was one of those who took the trouble to bring to the attention of the members of this house the inclusion of flax, rye and rapeseed under the provisions of the Canadian Wheat Board Act. He correctly explained that a problem does exist, in that the board applies delivery quota restrictions to the deliveries of rye and flaxseed in particular. He mentioned that a recommendation had been submitted in the report of the standing committee on agriculture, forestry and rural development at the close of the last session.

My reading of the committee's report, Mr. Speaker, leads me to believe that what the committee was actually recommending was not that these other grains should be brought under the jurisdiction of the Canadian Wheat Board, but that at least a plebiscite should be held, probably in like manner to those held several years ago in Australia. And again of course some enabling legislation from provincial governments would be required before any action could be taken. This is very important, and I feel that all members should bear in mind the constitutional problems inherent in these marketing shemes.

To sum up, Mr. Speaker, I am not among those who would be in any haste to change the name of the Canadian Wheat Board. I do not stand with those who would impose upon the grain producers of western Canada the obligation to deliver all their marketings of all their grains to the board; nor, indeed, would I be in any haste to require of the board that they be the sole buyer of these farm products. I do not believe sufficient study has yet been given to either of these matters. We realize that we really do not have an idea of what is likely to be the impact of a change in the board's name. Nor are we yet well enough acquainted with the possibility of improvements to net farm income if the Canadian Wheat Board were to become the sole buyer and initial seller of virtually all grain grown in western Canada.

One further point that should be made, Mr. Speaker, is the confusion that the change in name of the board could generate in the minds of overseas customers, between the Canada grain board—the name suggested by the hon. member for Humboldt-Melfort-Tisdale—and the Board of Grain Commissioners for Canada. The similarity between the two names is already confusing enough, even to members of this house, many of whom do not have a clear idea of the jurisdiction and responsibilities of each of these boards. The change in name would not improve this situation but would I suggest only aggravate it.

[*Translation*]

Mr. Gaston Clermont (Labelle): Mr. Speaker, the motion introduced by the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) seems to deal with at least two points. The first concerns the changing of the name of the Canadian Wheat Board. The second point is more subtle and concerns the different grains which would be handled by this board.

I must say, Mr. Speaker, that the Canadian Wheat Board Act, or Bill No. C-106, which gave rise to several debates in this house recently, mentions wheat, oats and barley only, whereas the motion now before us deals with the sale of wheat, oats, barley, flaxseed, rapeseed and rye which the Canadian Wheat Board might handle for the western producers.

When the directors of the Canadian Wheat Board testified before the standing committee on agriculture, forestry and rural development, in February last, in the city of Winnipeg, the hon. member for Humboldt-Melfort-Tisdale asked the chairman of the Canadian Wheat Board, Mr. McNamara, what were his views concerning a new name for the board. Here is what Mr. McNamara answered him, and I quote:

• (6:50 p.m.)

[*English*]

All I can say is that a rose by any other name would smell as sweet and I hope we would smell just as sweet in the eyes of the world as we do now in being called the Canadian Wheat Board. I assume this developed from the pool organizations calling themselves wheat pools, but handling all grains. The Australian wheat board merchandizes only wheat. There is an Australian barley board which is a separate organization. But I am surprised to hear you say that in your visit abroad you ran into people who do not realize we are also interested in marketing Canadian barley and oats and that we are also interested in doing what we can to market flax, rapeseed and develop business generally for Canada in these markets. As I say, I never thought about changing our name. In a commercial organization, if you have a product that is well known in the world, whether it is White Rose flour or something like that, you try to capitalize on your reputation. I am just vain enough to think that the reputation of the Canadian Wheat Board throughout the world is such that we should continue to capitalize on it.

And there you have, Mr. Speaker, the opinion of the chief commissioner of the Canadian Wheat Board, which he has led so ably and so successfully during the last ten years or so, on the matter of changing the name of the Canadian Wheat Board to the Canada grain board.

[*Translation*]

I wonder, Mr. Speaker, what the western farmers would think if the name of the board were changed, since this name is known all over the world.

[*English*]

It is interesting to note that the Australian experience has been somewhat like our own. In 1935, which happens to be the year that the present Canadian Wheat Board was inaugurated, the Commonwealth of Australia tried to set up a wheat marketing board having trading powers, and legislation was actually passed by the commonwealth parliament. However the privy council made the plan unworkable in a decision that declared that section 92 of the Australian constitution bound the commonwealth equally with the states. I am sure hon. members will find no difficulty in seeing the parallel here.

Upon the outbreak of war in 1939, the commonwealth government established the Australian wheat board, giving it complete trading powers. So it is evident that while the Australian wheat board was first established under national security regulations at the beginning of the second world war, it could not have continued in existence without some further action to get them over their constitutional obstacle. In Australia plebiscites have been held twice since the war on the question of the introduction of a wheat stablization plan involving the retention of the Australian wheat board as the sole marketing authority. These ballots indicated that the Australian wheat growers were in favour of the plan. Since the last ballot in 1953, grower's support has been so evident that ballots have not been considered necessary.

I bring this to the attention of hon. members, Mr. Speaker, to indicate that we are not the only nation with constitutional problems concerning the marketing of our agricultural products. I really did not intend to go further in this description of the Australian experience, Mr. Speaker, but I find it so very fascinatingly close to our own experience that I would ask your indulgence for a few moments more to add just one or two further sentences about the Australian situation.

The Australian wheat board, like our own, has a monopoly trading powers. The growers are required to deliver to it all wheat other than that retained for seed or feed on the farm where it is produced. The wheat board negotiates export sales direct with overseas buyers. However sales to the United Kingdom, Europe, the Middle East and India are usually made through the Australian wheat committee, an agency of the Australian wheat board located in London. Wheat flour is sold overseas by private traders under the general control of the Australian wheat board. Where their board differs from the Canadian Wheat Board is in the matter of the grains they handle. In Australia, the wheat board is concerned only with wheat. As hon. members are quite aware, the Canadian wheat board is the sole initial buyers of western wheat, oats and

barley that enter commercial channels crossing interprovincial and international boundaries.

There is an Australian barley board, Mr. Speaker, but its name is a legacy from the second world war. In Canada, the Canadian Wheat Board was originally established to handle only wheat. In the beginning this was on a voluntary basis, and did not become compulsory until September, 1943, when the Canadian Wheat Board became the sole marketing agency for wheat produced in the designated area. It was not until August 1, 1949, that the Canadian Wheat Board became the sole marketing agency for oats and barley produced and sold in the prairie provinces of Manitoba, Saskatchewan and Alberta.

An hon. Member: Author?

Mr. Clermont: And bearing in mind the Australian experience, hon. members should take note that before the Canadian Wheat Board could become the sole marketing agency for oats and barley enabling legislation was required from each of the provincial governments of Manitoba, Saskatchewan and Alberta. The extension of their monopoly to oats and barley was made possible by an amendment to the Canadian Wheat Board Act which was passed on March 19, 1948. Although this was so, the government of the day had refused to proclaim this amendment until the governments of the three prairie provinces had passed the enabling and complementary legislation.

There was no thought in anyone's mind at that time to change the name of the Canadian Wheat Board to indicate that the board now marketed coarse grains in the same way as wheat.

[*Translation*]

The Acting Speaker (Mr. Dubé): Order. Since the hour for consideration of private members' business has expired, the house will now revert to business interrupted at six o'clock.

[*English*]

The house will now resume the business which was interrupted at six o'clock.

SUPPLY

The house in committee of supply, Mr. Dubé in the chair.

The Acting Chairman (Mr. Dubé): 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.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Acting Chairman (Mr. Legault): House again in committee of supply, estimates of the Department of Finance, vote No. 1.

Mr. Knowles: I gather that the minister is now ready to reply to some of the points which have been made in the discussion thus far. I will take only a minute or two, but I should like to add a couple of items to his bill of fare. I believe they have not been discussed by other hon. members.

First I should like him to comment on a matter about which some of us have been asking for a long time, namely improving the section of the Income Tax Act which has to do with the deductibility of trade union dues for income tax purposes. As the minister knows, I was one who pressed for this legislation a long time ago and I welcomed the decision of the government to bring in this provision, but it seems to me there is an element of unfairness about the way in which some portions of trade union dues are not allowed for income tax purposes, specifically any portion of those dues which would go into a building fund or for certain specified purposes.

An hon. Member: Such as the N.D.P.

Mr. Knowles: May I point out that there is no such treatment of donations to a charity or to a charitable organization. There is of course a percentage limit on the amount a taxpayer can claim in relation to his income, but the government does not presume to tell a church how it can spend this money, at least in so far as income tax deductibility is concerned; and it seems to me similar treatment should be accorded to the trade union movement and that the government should not tell the unions the way in which they may spend their money, as far as deductibility for income tax is concerned.

I would not object if a percentage limit were introduced similar to that applied in the case of the charitable contributions, but in

any event I should like the minister to comment on this matter. My contention is that the full amount of trade union dues should be allowed as deductible. I would remind him that this must be the tenth or the fifteenth time I have raised this question since deductibility in respect of trade union dues was allowed 15 or 20 years ago. There has always been some reason for not taking action. For the past few years it has been the Carter report. Well, we now have the Carter report and I should be glad to hear the minister's views.

The other subject on which I should like the minister to comment has to do with the transferability of pension funds and pension rights as between certain kinds of employment. As the Minister knows, the government has boasted of the extent to which it has provided this kind of transferability. It is possible for a person to go from the public service to the service of a crown corporation and carry his pension rights with him. It is possible for this to be done in reverse. It is also true that agreements have been made between the federal government and certain universities, and perhaps some other employers, to the same end.

• (8:10 p.m.)

I realize this is something that has to come about step by step, certainly where private employers are concerned, but it has been drawn to my attention that there is one area where transferability is not allowed, and it does seem a bit unfair. I refer to the fact that persons employed by the Department of National Defence, for example in the air force, can transfer to the public service and take their pension rights with them, but if they transfer to a crown corporation such as Air Canada they cannot do so.

As I understand it there is a fair amount of this transferability from public service to crown corporations and to some private employers, and vice-versa, but amongst the kinds of transferability that cannot take place is the one I have identified, namely from any employment under the Department of National Defence, or in any of the armed forces, to a crown corporation. In the past when the government brought in legislation or announced regulations regarding this matter it boasted that it was a very good thing to have pension transferability. I wish it were more or less universal. I realize it is difficult to effect it where private employers are involved, but surely where the crown is involved it should be possible to establish universal transferability without further delay. I should hope the minister would comment favourably on this and on the other matter which I have raised tonight.

[Mr. Knowles.]

Mr. Sharp: Mr. Chairman, I did not make an opening statement because it is only a few days since I presented the budget, and I felt that it would promote better and more thorough consideration of the estimates if I were to reply to questions rather than to make another speech on the subjects on which I wished to give a dissertation. I am grateful, however, to the committee for calling the finance estimates somewhat earlier than usual. It is customary in our proceedings for the finance estimates to go through at the last minute when no one has any time left, and the minister of finance is not given an opportunity of answering some of the questions that ought to be answered and of defending more adequately the policies that he administers. Therefore I propose, Mr. Chairman, to deal with some of the questions that have been raised tonight.

Perhaps, however, I ought to make one general comment at the beginning, and that is that I do not look upon this as an extension of the budget debate, and if I do not deal with some of the questions relating to technical matters of taxation it is because I think it would be better for me to do this in an orderly fashion when the budget is under discussion.

Mr. Knowles: Except that you are not amending the Income Tax Act.

Mr. Sharp: That is right, but I have to defend that decision in the budget debate and will deal with those questions then.

The hon. member for Edmonton West began his remarks by referring to monetary developments, and he asked me in effect if I would make some projections of interest rates. This of course I would not do since, like other people in the financial world, I do not know what will happen to interest rates. However, I would like to make one or two comments in reply to some of the specific points he made.

Since the passage of the Bank Act, and even during its passage, interest rates began to decline and there was quite a marked drop both in short and long term rates. As I recall it, the rates on treasury bills, for example, declined from levels well in excess of 5 per cent down to less than 4 per cent. Subsequently they have increased again moderately and are now in the neighbourhood of 4.4 per cent, or something of that kind.

Interest rates on long term also declined quite significantly, but not to the same extent, nor did we expect that they would, even in a period of easier monetary conditions and declining interest rates. They have in fact gone up again, not to the high levels that were attained last year, but they have responded in the main to influence in the United States, where long term interest rates are about at the level that they attained at the height of the monetary squeeze. It is of course impossible for Canadian interest rates to diverge very widely from the United States because we are, and will continue, so far as I can see into the future, to be a capital importing country. Therefore we must have a scale of interest rates in relation to the United States that enables us to borrow in that country to meet our requirements.

The hon. member also asked about the interest ceiling under the Bank Act. As he will recall, section 91 of the Bank Act as approved at the last session, provided that the interest rate ceiling would be removed when average of the market yield on short term bonds of Canada for all Wednesdays in any period of three months ending after December 31, 1966, was less than 5 per cent. In fact the average of the market yield on short term bonds of Canada did fall below an average of 5 per cent during a period of three months and therefore, in the parlance of the street, the trigger has released, and it has been announced publicly that after December 31, 1967, there will be no ceiling on bank interest rates.

As hon. members know, during the time since the passage of the Bank Act there has been a very great increase in competition among the banks, and between the banks and other financial institutions. Indeed the complaints that I have heard, perhaps more than others have heard, are complaints about the competition, particularly from other institutions that are finding they are no longer protected as they were by the Bank Act and now have to compete for their funds with the banks.

The banks have increased the interest they are paying on deposits, and immediately after the Bank Act came into effect they reduced the prime rate from the prevailing rate of 6 per cent down to 5¾ per cent. As expected, and as was intended, interest rates charged by the banks are no longer uniform. They differ between institutions and they differ in accordance with the credit rating of the borrower so that you have a range of interest rates going from a prime rate of 5¾ per cent up to the present ceiling of 7¼ per cent.

Moreover the banks have been moving in a massive way into housing loans from which previously they were excluded. Therefore the Bank Act is having, as we intended, a very marked effect upon bank practices, upon the service the banks are able to perform for the public, and most of all there has been an enormous increase in the competition among them and between them and other institutions, this for the benefit of the public.

• (8:20 p.m.)

The hon. member also asked if I would refer the regulations under the deposit insurance act to the committee on finance, trade and economic affairs. I apologize for not having done so earlier. It is my intention to do so, and I shall forthwith. The reason I did not do this earlier is because the committee was not organized, and when I spoke to the chairman he asked me not to do so until the committee was under way. It is now under way and I will be happy to refer these regulations and whatever other matters it might be useful to have the committee discuss. It is my opinion that it would be very useful for the public's education to have these regulations under the deposit insurance act scrutinized, and I believe it would also be useful for the education of the public to look at other regulations in respect of consumer loans. All of these matters deserve public airing, and that can only do good.

As I understood the hon. member for Edmonton West, he said he hoped the legislation to establish the Canada Development Corporation would be lost in the shuffle. I regret to disappoint him, because that is not my intention. It is my intention to proceed with the Canada Development Corporation legislation as soon as we can find a place for it on the order paper.

Mr. Knowles: It is very thin right now.

Mr. Sharp: I can assure hon. members that the legislation is almost ready to present and it will be presented shortly after we resume. Those are not all the comments I wish to make in reply to the remarks of the hon. member for Edmonton West, but I will reserve some of my other comments in order that I can deal with his remarks together with those made by other members on the same subject.

The hon. member for Nanaimo-Cowichan-The Islands made some comments about the Bank Act, in respect of which he as well

as other members of the committee on finance, trade and economic affairs, are now somewhat expert. That committee did an extremely good job of work on the Bank Act and there are now many members of this house who know a great deal more than they originally did about the workings of our banking system and the effect of the Bank Act upon those institutions and others with which they compete.

I do hope that hon. gentlemen will agree that there has been a very big change in the way in which the banks have operated since the passage of the Bank Act amendments. I will not say that competition has been restored, because it never existed, but it has been established. I expect in the next few years to see changes in our whole financial structure arising out of this new kind of competition, changes that even now we cannot foresee or envisage.

The hon. member made some comment about splitting of shares. I inquired during the dinner interval as to whether either the inspector general of banks or I had any responsibility, or whether we had to give any approval, and I found that neither of us has any responsibility in this regard under the Bank Act. While I recognize there are many reasons for splitting the shares, I do think it is important that in respect of institutions like banks the price of the shares should not be so high as to discourage investment by relatively small investors. Therefore, I believe that splitting of shares, while this may be in the interest of existing shareholders, is also in the interest of maintaining as wide a distribution of these shares as possible.

The hon. member also referred to near banks. I hope he has followed very closely the developments which have taken place in connection with the application of deposit insurance, because I do suggest to him and to other members of the committee, particularly those who took such a close interest in this matter while the legislation was under discussion, that developments have been pretty much as predicted.

Federal deposit insurance is now in effect in respect of all publicly incorporated companies and all provincially incorporated companies, except those incorporated in the province of Quebec, under arrangements made between the other provinces and Ottawa, so that deposit insurance in so far as nine of the ten provinces are concerned is operating just as we hoped it would. There was a short time when, because of the pressure of events, and because of some undesirable developments in the financial world in respect of certain Ontario companies, Ontario deposit insurance came into effect as an interim measure. However as the Ontario government minister said, as soon as the federal legislation was available the insurance was transferred from Ontario to the federal institution.

Let me suggest to the hon. member for Edmonton West as well as the hon. member for Nanaimo-Cowichan-The Islands that the attitude of Quebec toward deposit insurance does support the argument that I made both in the house and before the committee on finance, trade and economic affairs, that if we had introduced legislation to bring near banks under federal jurisdiction, using the power that we believe Ottawa has in connection with banking, that legislation would have been challenged and today there would not have been the degree of supervision over deposit taking institutions which exists in nine of the ten provinces.

That was one of the reasons the government decided deposit insurance was the most practical step to take. At least this brought the institutions in nine of the ten provinces under supervision and gave the depositors there a greater assurance of safety in respect of their deposits than they had before. If we had proceeded to legislate in respect of near banks, that legislation would certainly have been challenged by Quebec, which even now challenges our jurisdiction in respect of deposit insurance and thus held up the whole legislation. By following the procedure we did, by which institutions could only come under federal insurance with the approval of the provinces, we have avoided the kind of stalemate I do not think any one would want to have seen.

Perhaps I could go on to the next point made by the hon. member for Nanaimo-Cowichan-The Islands, about the Mercantile Bank. The committee will recall that at the last minute in our discussions of the Bank Act amendments a proposal was made that the extension of time should be subject to review by the governor in council. We have not yet had an application from the Mercantile Bank for an extension of time beyond December 31, 1967. I have indicated to such of the directors as have happened to see me that this approval would not be given unless the Mercantile Bank put before us its plans for the disposal of stock. In other words, I have made it quite clear, as I said in the house and before the Senate committee when the bill

was before the other place, that the extension of time was given for a particular purpose. I quite agree with what the member for Nanaimo-Cowichan-The Islands said, that the most regrettable thing that could happen would be for the Mercantile Bank to proceed to expand, and for us to find at the end of a period of five years that nothing had happened, and no effort had been made to dispose of the shares, in order that they could get out from under the restrictions, or find an extended basis on which to support their deposits. I believe that parliament acted very wisely in restricting that approval to the prior approval of the governor in council from time to time.

• (8:30 p.m.)

Perhaps I may return to a point made by the hon. member for Edmonton West and the hon. member for Nanaimo-Cowichan-The Islands, namely the state of play in the discussions of international liquidity. I believe the members of the committee are well enough aware of the history of these consultations that I need not take the time now to go through all that history except to remind the committee that deputies of the ministers and governors of the Group of Ten—which are the ten most important countries, from the financial point of view, in the world —were instructed in October, 1963, to undertake a thorough examination of the outlook for the functioning of the international monetary system and of its probable future needs for liquidity. That is the instruction upon which the Group of Ten ministers and their deputies have been operating. There have been various developments. I have had the privilege of sitting in on one or two of the meetings since I have been minister, and I have in front of me an official who was at all the meetings.

Last September, at the meeting of the governors of the International Monetary Fund, it was proposed that the executive board of the International Monetary Fund should meet with the deputies to attend a meeting of the Group of Ten. These meetings have been held. There have been three joint sessions of two or three days each and another is scheduled to take place in Paris next week. I expect I will be asked, as minister, to attend the meeting of the Group of Ten in July. Efforts have been made to find a suitable date and I am not quite sure which day in July it will be, but it looks as if something will be possible about the middle of that month. Then, of course, we will be reporting again at the International Monetary Fund meetings in Rio in September.

I think it is fair to say that most of the technical studies necessary to establish a new reserve asset have now been made. What is needed now is agreement amongst governments as to the major characteristic of the new asset. The basic point at issue is what, if any, condition should be attached to the new asset affecting its use and transfer ability. Speaking as the Canadian minister, as one of the Group of Ten, I am inclined to a more unconditional kind of transfer ability. I would hope that at a meeting of the ministers and the governors that I have been speaking about, and at the annual meeting in Rio of the governors of the International Monetary Fund, further progress will be made in resolving differences amongst governments on these matters.

I should like to make one point clear because of a remark that was made during these discussions. The new asset would not replace any of the existing forms of reserves. It certainly would not replace gold, and it would not replace the United States dollar; and in so far as sterling is used as a reserve currency, it would not replace sterling. It would be an addition to the assets that are available to finance world trade and world payments.

The hon. member for Simcoe East put forward a very strong appeal for further support for the teaching of doctors, and generally for the support of the training of medical personnel. I could not help remarking, as I listened to the hon. member, that this is an example of what I said in my budget speech, of worthy but expensive projects that add to government spending and is one of the reasons why there is a problem not only in Ottawa but in all the provincial capitals and in all city councils, namely of trying to find enough money to do all the good things we would like to do.

Personally I agree with the hon. member. I would like to see more resources devoted to this purpose. I have been moderately encouraging to some of the doctors who have come to me in search of support of medical research, which is another aspect of the same problem. May I add that this is the first time it has been said in this house that I insisted upon medicare coming into effect on July 1, 1968. Most of the criticisms I have heard have been to the opposite effect, that I insisted upon its postponement until July 1, 1968. I am very, very grateful to the hon. member for having put this problem into perspective.

Mr. Rynard: I want you to be well prepared.

Mr. Knowles: It has not yet happened.

Mr. Sharp: Now I come to the intervention of the hon. member for Kootenay West. I enjoyed this intervention perhaps more than any other. I do not refer to the hon. member's comments about perpetual bonds or any of the other things he mentioned, but the evidence that he gave that he and his colleagues had been converted to the principles of Social Credit.

Some hon. Members: Hear, hear.

Mr. Sharp: This delighted me. I knew that the hon. member for Kootenay West had moved in that direction, but when he brought forward evidence that the leader of his party and his whole party had moved in that direction, I was delighted. It had occurred to me from time to time that perhaps this might be so, but I found it hard to believe until that evidence was put forward, namely that the hon. member for Nanaimo-Cowichan-The Islands, who has such a firm grasp of these things, had somehow slipped. It gives me a little encouragement in my own errors from time to time to think that even a man like he could have slipped in such a way.

Mr. Cameron (Nanaimo-Cowichan-The Islands): It is the fault of my colleagues, Mr. Minister. I have not yet been able to disabuse my colleagues of the fact that there are fairies at the bottom of the garden.

Mr. Sharp: It is always delightful to hear the hon. member for Kootenay West. I hope his party enjoyed his speech of this afternoon as much as I did. He made one or two comments about credit unions and asked whether there should not be a national credit unions act. I would point out to him that in fact there is one. At the federal level there is the Co-operative Credit Associations Act which provides for the incorporation by special act of the parliament of Canada of co-operative credit societies. I might add that amendments to this act are under consideration at the present time. This is one of the reasons why, when we brought forward the deposit insurance legislation, I did not include credit unions as the sort of deposit-taking institutions that would be subject to insurance. It seemed to me that they were of a different character, and what we think would be more appropriate for the development and assistance in the development of those institutions would be facilities by which they might be able to obtain loans to increase their liquidity when they needed it. After all, these are not deposit-taking institutions in the ordinary sense. They deal with their own members, and you have to become a member of the co-operative before you can have deposits with it.

• (8:40 p.m.)

I have answered a great many questions in the house on the subject of perpetual bonds and I do not think there is very much that I can add. Like other hon. members, I have received many letters. Indeed, for a while, they formed a very high proportion of my correspondence. It would appear there were many people who purchased these bonds originally, or perhaps even at later stages, who misunderstood their character. They were intended to be perpetual bonds. When they were issued they were considered to be excellent buys, indeed they went to a premium. It is difficult for us to realize now that when these bonds were issued some 30 odd years ago a 3 per cent rate of interest forever looked like a wonderful bargain when the short term rate of interest was 1 per cent. However, they were intended to be perpetual bonds. The government looked at the possibility of paying them off on a selective basis, but after thoroughly examining each one of these alternatives we came to the conclusion that the only way we could deal fairly with all concerned was to treat them as what they are, namely perpetual bonds that never have to be paid off. They vary in price in accordance with the interest rates on the market. When you can get 4, 5 or 6 per cent on other forms of investment, of course you will not buy these perpetual bonds which yield 3 per cent for more than 50, 60 or 70 per cent of their value. But if interest rates were to go down again to levels around the 3 per cent, which is conceivable, as interest rates are essentially unpredictable, then these bonds would again rise in value to somewhere near par. We thought of paying off those individuals who bought the bonds originally and held them until now, but that would be unfair to those who had been advised to sell them earlier. They would have as great a claim upon the government as those who held them. So in the end we had to decide that even though we knew there were people who had been misled in buying these bonds, in order to deal fairly and in the interests of all concerned we had to treat them as perpetuals, which is what they are.

The Acting Chairman (Mr. Legault): I regret to inform the minister that his time has expired.

Some hon. Members: Carry on.

The Acting Chairman (Mr. Legault): The minister has the unanimous consent of the committee to continue.

Mr. Sharp: I thank you, Mr. Chairman and members of the committee. I will pass over the comments of the Leader of the Opposition and come back to them later.

I should now like to deal with some of the specific points raised by the hon. member for Parkdale. He suggested that there might be some exemption for the interest on certain types of bonds issued by municipalities. We have examined that proposition from time to time and have come to the conclusion that it amounts to an indirect subsidy to the municipalities. It seemed to us that if we were going to give subsidies to municipalities, it should be done on a much more logical basis and in accordance with a government policy, and not just because a municipality decided it was going to issue some bonds now, whereas another municipality which had issued its bonds earlier would not have the advantage of a tax free status.

On the question of whether there should be a deduction on home owners' taxable income, we have looked at the matter from time to time and found that it has one obvious fault, namely that it is a suggestion which favours one particular kind of resident, that is one who happens to own his home and not rent it. Of course this is not fair, particularly to those who live in apartment buildings. So I felt that as Minister of Finance I could not recommend to the government the proposals put before me by the mayor of Toronto, which have been mentioned by the hon. member for Parkdale.

The hon. member for Parkdale asked me for a report on the claims of Canadian citizens on foreign governments for the settlement of nationalization claims and other matters of that kind. Perhaps I could give a brief progress report. We have completed our negotiations with Bulgaria. A settlement was made last year and announced in June, 1966. Negotiations are now in progress with Hungary. Indeed a Hungarian delegation is in Ottawa now. Czechoslovakia and Rumania have now both agreed to enter into negotiations. Canadian claimants have been asked to submit the details of their claims. With Poland, with whom the negotiations have been perhaps more difficult than with any other country, these negotiations, which have been under way for some time, are to be resumed after a break. We now believe that they can be resumed within the next few weeks or months.

As I said, I will not deal with questions of taxation policy. I think these should be dealt with in the budget debate.

The hon. member for Vancouver East raised a general question about government bonds and the investments of individuals who find, when they want to realize these bonds, that they have declined in price. This related not only to perpetual bonds but to all market issues of Canadian bonds. All I can say to the committee is that this is why Canada savings bonds were created. Today very few people of modest circumstances buy market issues of Canadian government bonds because of the fluctuations which take place in their price. Now they buy Canada savings bonds which can be cashed at their face value at any time.

The hon. member for Perth asked me how we were going to finance ourselves in the next year. He will realize that it is not possible to predict in advance the exact amount of any particular bond issue, even a bond issue which is only a refunding issue. However, I can say that in general I do expect to refund all maturities coming due during this fiscal year. In the white paper which appeared with the budget there is a list of the unmatured debt, from which one can get a list of all the bonds that are maturing this year. These maturities, coming due during the remainder of this fiscal year, will total $525 million on October 1, 1967, and $515 million on January 15, 1968. As to the new issues for cash which the hon. member understands I will have to make, I cannot add anything to what I have said in my budget address.

He also asked about church vestments and inquired about the item which appears among the resolutions in the budget. I am answering this question because I understand there is an inquiry about its meaning, but I will not discuss the policy. In fact, the rate on church vestments was reduced to 10 per cent in 1960. All that this resolution does is to bring parts of vestments into line at the same rate. So there should be no reason why the customs officials should not just proceed to enter church vestments at the prevailing rate of 10 per cent.

The hon. member for Parry Sound-Muskoka drew attention to the April figures on imports. I should like to point out to him,

if he had not noticed it, that in the release which was made on these figures, the figure for April included some technical adjustments which exaggerated the imports. This is the short answer to the point he made. In fact, we had been expecting some improvement in the trade balance and this has been happening. The April figures are not contrary to the trend, but they are exaggerated by these technical adjustments.

• (8:50 p.m.)

The hon. member for Winnipeg North Centre raised some points about the deduction of union dues and the transferability of pensions. In so far as the second of these points is concerned, I was unaware of this limitation on transferability. I will certainly look into it. Referring to the deduction of union dues, I may say this is more of a budget matter. I hope the hon. member can raise the question again when we get back to the budget debate.

Mr. Knowles: Can the minister tell me at what point in the budget debate we can deal with that since there are to be no amendments to the Income Tax Act?

Mr. Sharp: Neither are we amending the income tax now, so it will be just as good a time to discuss it when discussing tax matters.

Mr. Knowles: At which time will one get action?

Mr. Sharp: This whole question, I am sure, will be discussed when the government brings forward its general proposals on the Carter commission toward the end of the year. Matters like this will then be open for discussion because the Carter commission has a great deal to say about this matter.

I will conclude, Mr. Chairman, by referring briefly to the comments of the Leader of the Opposition. I am sorry he is not here. I could not help, when I was listening to those comments, but think back to the events of 1962-63, particularly to the events preceding the coming into office of the present government, and the financial mismanagement which brought about an exchange crisis, probably the most unnecessary exchange crisis this country has even had to suffer. I think it is quite noticeable that, notwithstanding the views that the right hon. gentleman had expressed, there are no signs of any loss of confidence in Canada today nor in the Canadian dollar. This is my brief comment on his intervention. It seems to me that his memory is peculiarly short to have forgotten so soon these events of 1962-63.

[Mr. Sharp.]

Mr. Lambert: You were not there in 1964, when we almost had the same thing.

Mr. Sharp: Again, the right hon. Leader of the Opposition indulged in this game of criticizing the government for its growing expenditures and then proposing very large increases in those expenditures. He criticized the government for not having dealt fairly with the provinces, but I could just see those tens of millions of dollars totalling up in his mind as he thought how lavish he would be if he were in office. When the hon. member for Perth was commenting on the budget the other day, he castigated me and the government severely for rising expenditures.

Now, I understand these things. I do believe that it is incumbent upon everyone in this house to look very carefully at government expenditures. It is not only incumbent upon the Minister of Finance, it is incumbent upon all members. However, I do wish whenever members criticize the government for its increasing expenditures they would follow through by not proposing something that would increase those expenditures by tens of millions of dollars. This is just a simple request, and I know it is one that will be acted upon.

In the course of his comments the hon. gentleman referred, for example, to Saskatchewan. Now, the hon. member for Burnaby-Coquitlam knows what has happened. It has been brought to his attention before. In recent years, there has been an enormous improvement in the condition of Saskatchewan. Whether this is due to the fact there is a Liberal government in office in Regina or in Ottawa, I am not sure. Whatever the reason may be, there has been an enormous improvement in the condition of Saskatchewan since the Leader of the Opposition left office as Prime Minister and since the hon. member for Burnaby-Coquitlam left office. The reason there has been a reduction in these payments is that Saskatchewan is now one of the "have" provinces, one of the most prosperous provinces.

Mr. Douglas: May I ask the minister if he would give us the figures which would show Saskatchewan was also a have province before 1964, except we had a much more generous financial arrangement between the federal government and the provinces. It is much less generous now.

Mr. Sharp: I deny this; there has never been such a generous arrangement of financial affairs between the federal government and the provinces. Indeed, I was looking at the figures as I quoted them in my budget speech, and our expenditures in this respect are going up by hundreds of millions, when we take the whole range of adjustments that have been made in the financial arrangements with the provinces this year alone as compared with last year. This results from a much greater generosity in connection with these claims, as well as the fact that this arrangement which is in effect now is neutral. It does not select any one tax, it selects the whole range of provincial taxes and equals them up to the provincial average. In the course of this development Saskatchewan has been moving toward being one of the "have" provinces and is not any longer entitled to payments from Ottawa. For that reason, we have arranged a system of graduated payments so as to phase Saskatchewan out of the very large payments she has been getting. It may be, of course, if there is a short crop there will again be a time when Saskatchewan becomes entitled to payments. The main reason, and I repeat it, is that in recent years, for whatever reason—it may have been, but I will not claim it was, because a Liberal government was in Ottawa and in Regina; that may be just a coincidence—Saskatchewan is very much more prosperous than it has ever been before.

Mr. McIntosh: In spite of the government.

Mr. Sharp: There was some reference to the Bank of Western Canada by the hon. member for Edmonton West and the Leader of the Opposition. Personally, I would be very happy to see the Bank of Western Canada open its doors and get into business. I have followed these developments closely indeed. I get reports two or three times a week on the latest developments. I can say one thing to the committee, that the present owner of a great block of shares who lives in eastern Canada would be only too happy to find buyers in western Canada. I believe, myself, this would be a very happy outcome, but in the meantime such buyers have not been found. There remain however some difficulties in getting this operation under way.

I was thinking when I was listening to the right hon. Leader of the Opposition talk about the Bank of Western Canada, criticizing Sinclair Stevens, how greatly things had changed in recent years. At one time, Mr. Coyne was the man who was responsible for all the troubles that his government suffered in a financial way; yet today the Leader of the Opposition has become such a staunch supporter of the president of the Bank of Western Canada.

Mr. Monteith: I should like to start out, of course, by thanking the minister for answering the questions put to him during the course of the debate. He did very nicely in this respect, and in some detail. I appreciated the fact he answered the question I asked which had to do with the current budget, even though this debate will not be resumed until the autumn.

• (9:00 p.m.)

I should like, however, to point out that I cannot allow what has been said by the minister to go by without some rebuttal. He asserted there had been financial mismanagement in the period immediately prior to 1963 by the previous government I would remind him that when the dollar was devalued to 92½ cents, the government of that day was castigated high, wide and handsome by the members of the present government. It was pointed out what a detriment this would be to Canada. However, it has since been admitted, sir, that this devaluation was one of the main starting points of Canada's recovery from the recession it had been in.

I should like to go back and suggest to the government that the Liberal government of 1947 devalued the dollar undoubtedly because of financial mismanagement, and devalued it to an even greater degree than we did. I might point out that the dollar today is still rated at 92½ cents U.S., so that despite what the minister said and the claims of the opposition of that day that the Conservative government finances were in a precarious state, it has been proven beyond question that we did the correct thing and took the right action.

I should like to refer to one other matter that I think the minister completely misunderstood in the remarks of the Leader of the Opposition. The Leader of the Opposition pointed out that when the Conservative government under his leadership came into power in 1957 they found unfair dealings had taken place with the provinces. We raised revenues to the provinces in 1958, even though the existing agreements ran until 1962.

What the Leader of the Opposition was contending was that he thought there was some finagling of some kind in making the agreements. In other words, many of the

provinces had received much greater amounts, to the detriment of others which suffered accordingly. I only wish to mention that, if I understood his remarks this afternoon correctly, the right hon. gentleman was not suggesting larger contributions should be made to the provinces at this moment, though this might well be called for; he was suggesting that there had been some inequity of treatment.

The last matter mentioned by the minister with which I wish to deal is this. He said that I had apparently castigated the government for their present expenditure. I certainly did so in my reply to the budget speech, and I will do. This is not in contradiction to what was said by the Leader of the Opposition this afternoon. With those remarks, Mr. Chairman, I will resume my seat.

Item agreed to.

3. Grant to the city of Ottawa toward the cost of the civic centre; the government of Canada's share not to exceed $1,000,000; amount required for 1967-68, $400,000.

Mr. Monteith: I want to refer to the legislative item that is not subject to vote. I was wondering whether the minister would explain the statutory items under public debt charges, the servicing costs and costs of issuing new loans. The amount is not large but it is less than last year. Would the minister give us a short explanation?

Mr. Sharp: Mr. Chairman, the decrease of $70,500 is attributable to an over-estimation of the figure for 1966-67. While the estimate for 1966-67 was $790,000, the actual figure was of the order of $690,000. So that this does not represent a decline; the reduction is due to an over-estimate the previous year, which appears to indicate a decline.

Mr. Rapp: Mr. Chairman, I have made representations to the minister and to previous ministers of finance about edible oil and soybean oil entering this country from the United States. Canada pays a tariff on edible oil going to the United States. Would the minister look into this?

Mr. Sharp: May I suggest to the hon. member that he wait until he sees the results of the Kennedy round.

Item agreed to.

Subsidies and other payments to provinces—

5. Payments, computed in accordance with terms and conditions approved by the Governor in Council, to the government of each province, in respect of income tax paid by corporations whose main business is the distribution to or generation for distribution to the public of electrical energy, gas or steam; the said payments to be made in respect of such part of the income of the corporations for the taxation year ending in the calendar year 1965 (as determined under and for the purposes of the Income Tax Act) as is derived from the said distribution or generation in the province to which payment is made and in respect of similar income of such corporations for any taxation year ending in a calendar year prior to 1965 that was not taken into account in computing payments made in respect of that taxation year, $6,700,000.

Item agreed to.

Municipal grants—

10. Grants to municipalities in accordance with the Municipal Grants Act and regulations made thereunder, and grants to municipalities in lieu of redevelopment charges in accordance with terms and conditions prescribed by the Governor in Council, $40,700,000.

Mr. Monteith: Mr. Chairman, I should like to ask a question on this item. I have before me some correspondence between the city of Stratford and the Department of Finance having to do with part of the federal building which has been used by the Emergency Measures Organization. The city have pointed out to the department that the Department of Public Works is actually receiving rent for that portion of the basement being used by the Emergency Measures Organization. As a consequence of this organization using part of the basement, the grant to the city in lieu of taxes has been reduced. This means, according to their calculation, a saving to the government in the neighbourhood of $2,713.26.

I do not want to go into detail tonight, but this matter is of importance to the city of Stratford. I would ask the minister whether he would mind looking into the mechanics of this. Although I have an explanation on the file from certain members of the department, I wish he would look at it again.

Mr. Sharp: I would be very happy to do so, Mr. Chairman.

Item agreed to.

15. Grants to provinces in respect of a fiscal year commencing after December 31, 1966, and in respect of federal property situate therein, where a real estate tax has been imposed or levied on property by a province to finance services that are ordinarily provided throughout Canada by municipalities, the grants to be calculated, subject to terms and conditions approved by the Governor in Council, in the same manner as grants to municipalities under the Municipal Grants Act, $1,000,000.

Mr. Herridge: Mr. Chairman, I want to talk about the appropriations not required for 1967-68, which I think comes under vote 15. Would the minister explain what this actually

means? I am not very bright on these things, not having had a postgraduate course in the finance committee.

Mr. Sharp: Mr. Chairman, might I refer the hon. member to page 151 of the blue book where there is a full explanation of this item. I am sure he would not want me to read it, but it does authorize the Minister of Finance to establish a special account in the consolidated revenue fund to be known as the foreign claims fund, to which shall be credited various items to the amount of $1,000.

• (9:10 p.m.)

It also authorizes, notwithstanding the Currency, Mint and Exchange Fund Act, the transfer from the exchange fund account to the consolidated revenue fund of the profit of the calendar year 1964 and each subsequent calendar year from trading operations in foreign exchange, gold and securities, and from the net valuation adjustments on unmatched purchases or sales during each such year. The total given for the two items is $1,001. The $1 is for the purpose of making it legal to transfer these amounts of money; that is an enabling item. The $1,000 is largely for the same purpose.

If the hon. member is not able to understand this, he is in very good company.

Mr. Herridge: What is the foreign claims fund? Is this a new fund?

Mr. Sharp: It is established in the vote, as shown in the blue book. I hesitate to read the whole paragraph—but that is what the fund is for.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I wish to ask the minister something about the earlier part of vote 15 which refers to grants in respect of federal property on which real estate tax would have been imposed. I notice that the amount is $1 million. Is this a new appropriation? Could the minister say what sort of situation this $1 million is supposed to deal with and why it has not been included before?

Mr. Sharp: Mr. Chairman, this vote would give the government authority to pay grants in lieu of real property taxes, in respect of departmental properties, to provinces which impose such a tax to finance services that are ordinarily provided throughout Canada by municipalities. The payments would be calculated in a manner closely similar to the payments in lieu of real property taxes made to municipalities under authority of the Municipal Grants Act. The Municipal Grants Act contains some limitations on grants, one of which is that payments may be made only in respect of taxes which are levied in municipalities by municipal taxing authorities. A separate vote is therefore necessary for payments to provinces. Additional payments, not covered by this vote, would be made by crown corporations, with each body making payments on the basis which it uses for grants in lieu of municipal real property taxes.

It is difficult at this stage to estimate the amount of the new grant payments. The amount shown, of $1 million, is less than the normal annual cost which is estimated at $1,700,000. It is considered unlikely that the grants in respect of the first year of the program could be calculated and paid in full during the 1967-68 fiscal year as the property in respect of which payments would be made would have to be valued for tax purposes. For this reason only $1 million has been included in the vote for 1967-68.

The principal beneficiaries of the new grants would be the provinces of British Columbia and New Brunswick.

Mr. Herridge: My curiosity is aroused. Is this something new? Does this cover some new situation, or some new type of case?

Mr. Sharp: There has been a change in the rule that we previously imposed of only dealing with municipal taxes. Now we are dealing with provincial taxes which, in other provinces, would be levied by municipalities.

Mr. Barnett: Speaking to the same point that was raised by the hon. member for Nanaimo-Cowichan-The Islands, what interpretation does the minister place on the phrase "services that are ordinarily provided throughout Canada by municipalities". Would this include the equivalent of land taxes for school financing purposes and education?

Mr. Sharp: Yes. This is intended to be of a general character. You see, as the hon. member knows, taxation systems are changing and the provinces are imposing taxes upon property that would be imposed in other provinces by municipalities, for the same services. This is an attempt to avoid the discrimination that would arise if the payments were to be made only to municipalities, and it covers the same area as the municipal grants do now. It is not an expansion of the payments; it is only where provinces are replacing municipalities as the taxing authority that this applies.

Mr. Barnett: I had in mind the manner in which our consolidated school districts operate in British Columbia. A certain tax is levied on real property for school purposes throughout the school district, and inside an incorporated municipal area within the school district. The taxes are levied and collected by the municipal authority.

But in the so called unorganized areas of the school district the levy, which is arrived at by the school board as a result of calculating its need, is actually collected by the provincial taxing authority. That normally has the effect of creating a uniform tax rate throughout the whole school district, for school purposes. A charge is levied on property, in unorganized parts, within the boundary of the school district. I wonder whether this proposal would apply to federal property or installations lying within the boundaries of a school district where the tax is collected for the school board by the provincial tax collector.

Mr. Sharp: One of the reasons that we brought in this item this year in this manner rather than by legislation is that we should like to gain some experience in the sort of situation the hon. member has described before bringing permanent legislation forward. It is in such unorganized areas that we have not had experience. It would be the intention to apply in unorganized areas the same rules that we apply in an organized municipality.

Mr. Alkenbrack: I have a brief question for the minister. I realize that no municipal authority can impose taxes on the federal authority. It must receive whatever the federal government sees fit to grant in lieu of taxes. To determine the final amount to be paid in lieu of taxes I believe the federal authority sends an assessor to the municipality. My question is this: Why is the federal assessment of the amount to be paid in lieu of taxes in some instances being lowered, resulting in less revenue for some municipalities. I am referring to post office buildings, local armouries and buildings like that.

Mr. Sharp: Mr. Chairman, I am not familiar with the particular instances that the hon. gentleman is now raising. Perhaps he might write me a letter and I shall be happy to get whatever information I can for him.

The Acting Chairman (Mr. Dubé): Shall vote 15 carry?

[Mr. Sharp.]

Mr. Rapp: Mr. Chairman, may I ask the minister a question about the statutory payments made under the British North America Act? Every province in Canada except Saskatchewan had its 1967-68 payments increased. The payment to Saskatchewan was decreased by $7 million. The details of this are found on page 149 of the blue book. Someone has to stick up for Saskatchewan.

• (9:20 p.m.)

Mr. Sharp: I understand this is caused by population changes. These statutory items were provided for originally in the British North America Act, as the hon. member has stated. The subsidies were established by the terms of confederation and subsequent arrangements. They include allowance per head of population, interest on debt allowances and other special amounts as agreed upon under the terms of union, and subsequent to union.

Allowances per head of population are based on the decennial census except in the prairie provinces of Manitoba, Saskatchewan and Alberta where, on account of the former rapid growth of population, the allowances are also based on each quinquennial census and on an estimated population midway between each decennial and each quinquennial census.

There are changes in the subsidies estimated to be payable to Newfoundland and the three prairie provinces as compared with 1966-67 estimates. The estimates for the other provinces, being based on provincial populations as of June 1, 1961 census are unchanged. While the 1967-68 and 1966-67 estimates for the prairie provinces are based on an estimate of their populations as of June 1, 1966 the estimate employed was revised downward, in preparing the 1967-68 estimates, from that employed to determine the 1966-67 estimate. The population estimate will have to be replaced by actual figures from the quinquennial census which recently became available.

So Saskatchewan may get the $3,000 back.

Item agreed to.

Comptroller of the treasury—

20. Administration, including the administration of the Superannuation and Retirement Acts and recoverable expenditures on behalf of the Canada pension plan, $32,402,000.

Mr. Lambert: Somehow or other I keep getting complaints from widows of superannuated public servants that on the death of their husbands an incredible long period of time elapses before a settlement is received from the superannuation branch. I realize

that in some cases difficulties will arise, but delays have usually been accompanied by an apology for somebody having "dropped stitches". I hope this can be avoided in future because these cases usually concern older people and delay bears heavily upon them.

Mr. Sharp: I can assure the hon. gentleman I will bring his remarks to the attention of the officials and I will take a personal interest in this. As he knows, there are sometimes very peculiar situations.

Mr. Winch: In connection with vote 20 there is a matter which I hesitate to raise because it concerns the affairs of an organization we much admire, the Corps of Commissionaires. I refer the committee to the details of the estimate on page 152 where an amount of $46,300 is earmarked for commissionaires' service. I am aware of the wonderful work being done by the Corps of Commissionaires in their 17 divisions across Canada in finding employment for individuals, some of whom are disabled and unfitted for heavy, physical work.

In the past few days I have been in touch with Mr. Leggat, the president of the corps —unpaid, may I say—because I have been receiving complaints from members of the Corps of Commissionaires. Following those complaints I raised certain matters with the president of the corps and in his answer, which I received only last Friday, he told me that the Corps of Commissionaires obeys all laws and meets all statutory requirements. But members of the corps here in Ottawa tell me this is not true. They inform me that when they work overtime, as is sometimes the case when somebody fails to turn up, they are paid for the extra hours but not at overtime rates. They are paid straight time. The law, apparently, says that if you work over eight hours, you work at overtime rates. The president says they obey the law, but members of the corps tell me that here in Ottawa they are paid straight time for overtime. The men also tell me that provincial and federal law lays down statutory holidays, but that when they work on statutory holidays they do not get a day off in lieu of working on that day nor are they paid for an extra day because they have worked on a statutory holiday.

Those are just two examples of what members of the corps working in Ottawa have told me in my office in the course of the last two or three weeks. I raise this matter knowing what the corps does. I ask the minister this: When provision is made here for $46,300 for commissionaires' services, is this estimated on a contract basis with a divisional headquarters? Are inquiries being made to find out whether the president is correct when he says that all laws are obeyed, or are the men correct when they come to me and say that the corps does not abide by the law because they are not paid overtime rates and they are not paid for statutory holidays?

• (9:30 p.m.)

I do not want in any way to upset the work or the employment of the commissionaires. Through you, Mr. Chairman, I ask the minister to see that an investigation is made into the employment of commissionaires in Ottawa, and that they receive their full entitlement under provincial and federal laws.

Mr. Sharp: I will be very happy to take these remarks into account, Mr. Chairman.

Mr. Monteith: Would the minister explain the increase from nothing to $96,700 for "other professional and special services" on page 152? What does the department contemplate?

Mr. Sharp: I regret, Mr. Chairman, I am not as well informed on that item as I might be. I would think it relates to a program for computers being introduced into the comptroller's office, but I am not absolutely certain.

Mr. Monteith: Would the minister write a note about it, and at the same time let me know the reason for the $80,000 increase for travelling and removal expenses?

Mr. Sharp: I will be very happy to do so, Mr. Chairman.

Mr. More: I am intrigued by the second item from the bottom on page 152 which reads, "Expenditures chargeable to the Canada Pension Plan account for services normally rendered by other departments free of charge." If other departments render the service free of charge, why is there a charge in this case, and what is it for?

Mr. Sharp: I really cannot answer that question. I do not have an explanation for this group of items here, but I will write the hon. member and let him know.

Mr. Winch: Can we have an explanation of the $77,000 increase for travelling and removal expenses before these estimates pass? We

who are members of the public accounts committee are becoming more and more concerned about travelling and removal expenses going up year by year. Just why, in this fiscal year, in this department, do you require an additional $77,000 which will boost the cost from $275,000 to $352,000? We hear a lot of talk about the expenses of government increasing. If you watch a few dollars they become hundreds of thousands of dollars, and if you watch the hundreds of thousands they become millions of dollars. We want answers.

Mr. Sharp: Mr. Chairman, I welcome the attention that is paid to these items. Before these items were put in the estimates book they were very carefully screened and scrutinized by the treasury board, and I can assure the committee at least of this fact, that when they pass that test they are necessary expenditures. I regret I do not have a detailed explanation here for the items in this group. I would point out that this is the office of the comptroller of the treasury. While that may add to the weight of the question asked by the hon. member, in fairness I should say that this is not the whole of the travelling account for the department.

Mr. Winch: It is $352,000 for one office alone.

Mr. Monteith: The minister says he does not have the detail at the moment. With all due respect I suggest he should have an explanation to give to the committee for this item, although I do not propose to hold up the estimates because of this lack of information. The minister intimated that he would write me later as to the reason for the increase, but I think the committee as a whole should be given the opportunity of knowing why this estimate for travelling and removal expenses has gone up so considerably.

Mr. Winch: I too do not want to delay long, but this is an opportunity to examine government expenditures. I presume that the operation of the comptroller of the treasury is a fairly permanent one. Why then does this office have a policy of renting equipment? The estimate for the rental of office equipment shows an increase from $675,000 to $1,397,000. That is quite an increase. Good heavens, that must be an awful lot of equipment that is being rented. It is something that should be investigated. We should get answers. To me $1,397,000 for rental of office equipment in that one department does not make sense.

[Mr. Winch.]

Mr. Sharp: Mr. Chairman, there is a relatively quite simple explanation of that sort of charge. This is the rental of computers which cannot be bought, and the main reason for the big increase here is the introduction of the Canada Pension Plan, the payment of salaries and so on. We are trying to automatize these matters. The comptroller of the treasury is responsible for all those operations within the government, and so it is not surprising that the sum for the renting of office equipment should have risen very substantially. As hon. members know, in all businesses these days it is necessary to pay very large rental charges for equipment that cannot be purchased. Some computers are not for sale. They are only provided on a rental basis, and with the renting goes the service. If you buy them you are stranded without any service. The only way you can get this equipment is on a rental basis, and that is the explanation of this particular item.

Mr. Lambert: Mr. Chairman, there has been constant reference to expenses on behalf of the Canada Pension Plan. These appear in the blue book as a charge on the consolidated revenue fund. Some of them are indicated to be recoverable from the Canada Pension Plan. On the top of page 153 there are given certain amounts for administration which are chargeable to the Canada Pension Plan. My recollection of that act was that it was to be a self-sufficient operation, and that the fees charged on the fund were the expenses of administration.

• (9:40 p.m.)

Why do these things which are matters of accounting have to be funnelled through in the estimates of the Department of Finance to artificially inflate public expenditure? These are not expenses at all, because they are chargeable to the Canada Pension Plan which is not supposed to be a part of ways and means. We do find that in some ways these expenses are being shown in the general estimates as a charge against ways and means. I would have thought that a neater way of segregating these would be to charge them to the funds, without putting them in the blue book. In this way they would not clutter up the records of the Department of Finance.

Earlier this session, I referred to a similar situation in the estimates of the Department of External Affairs. Items for external aid seem to come from various places, and unless one has a complete list from the directorate he is unable to find out just how much external aid we are contributing. In the same way

this does not indicate how much of this is chargeable to the Canada Pension Plan unless we check little items here, there and everywhere.

Mr. Winch: May I just add that it was thoroughly understood that the Canada Pension Plan was to be completely self-supporting, and that after it because self-supporting money would be lent to the various provinces. If we accept the answer I received a few moments ago, that this is a charge on the comptroller of the treasury for equipment required for administering the Canada Pension Plan, then it does not belong here because it is a charge on the Canada Pension Plan. Perhaps the minister is prepared to indicate that we will find a revenue or credit somewhere else which will offset this amount. This is the sort of difficulty we find in the public accounts committee. This is apparently a charge against the Canada Pension Plan for necessary computers. If that is so, it has no business here because that plan is supposed to be self-supporting.

Mr. Sharp: Perhaps the hon. member will turn to page 153 where he will find under the first item a figure which offsets this amount. It refers to a deduction of the amounts recoverable from the Canada Pension Plan, $1,287,200, and from the National Harbours Board, $396,000. Let me say in defence of this method that it reveals more of what is going on than if we carried our accounts in any other way.

Mr. Barnett: Let me return for a moment to the subject raised a short time ago by the hon. member for Vancouver East. He asked several questions about the operation of the corps of commissionaires. If I heard the minister correctly he said he would look into the matters raised. While he is doing so will he also provide answers to one or two other questions I have had in my mind for some time about the operation of this corps, with particular reference to individuals working under various functions of the federal government.

Specifically I should like to know who sets the rates of pay received by members of this corps, and whether these rates are set on the prevailing rate principle as is the case in respect of certain other operations of the federal government. As the hon. member for Vancouver East quite rightly suggested, the operation of this corps has made employment opportunities available to veterans who might otherwise find it difficult to obtain employment because of disabilities. In my own area certain members of this corps are receiving very substantially less in the way of remuneration than other people who may be as disabled—and I am thinking of people required to do light jobs. According to the information I have, they are hardly receiving enough to provide for a reasonable or decent standard of living. These are questions in the minds of members of this house which deserve some clarification. There is increasing evidence of dissatisfaction in respect of the operation of this body, which I think would be unfortunate if continued.

Mr. Knowles: Has the minister anything more to say in this regard?

Mr. Sharp: Mr. Chairman, I nodded to the hon. member indicating that I did understand his comments and would look into the matter. I would think that some of these questions might also be directed to my colleague, the President of the Treasury Board. He is much more directly concerned with the determination of pay. In any event I will also look into these matters.

Mr. Knowles: Mr. Chairman, this is a rather broad administrative item covering all the work of the comptroller of the treasury, but I note that it includes the administration of various superannuation funds. May I ask the minister where the responsibility regarding superannuation matters now rests. Are policy matters to be taken up with the President of the Treasury Board or with the Minister of Finance? Is there an element of policy in this or is it just administration? I am not quite sure which answer I want the minister to give, but I ask the question anyway.

Mr. Sharp: In so far as the administration of present law is concerned, this comes within a division of my department. I very rarely have questions raised with me by the administrator because he is carrying out the laws as they now exist. Other questions about superannuation of retired civil servants, the matter in which my hon. friend is particularly interested, are discussed not only by the President of the Treasury Board and the Minister of Finance, but from time to time by the whole government.

Mr. Knowles: The minister was quite right in suspecting that my question was related to this subject. As he knows, we have been discussing this matter with the President of the Treasury Board. The minister admits that he

comes into the picture as well, and I hope he realizes how strongly some of us feel about the position of retired civil servants. The minister knows that it took a long time to get the government to agree to have the matter of their pensions referred to the special joint committee on the public service, but at long last it was referred to that committee, which made its recommendations to parliament on May 8.

• (9:50 p.m.)

I spoke about this matter with some vigour last Thursday evening in an overtime debate, so I will not now repeat what I said then. But I hope the Minister of Finance and his colleagues in the government realize that some of us feel this is a matter that cannot be put off even for another few months. I hope he realizes that some of us feel this matter should be dealt with before the house breaks for a summer recess. I am referring in particular to the implementation of the recommendation of the special joint committee on the public service of Canada that increases be now granted to civil servants already retired.

The question has been raised a good many times on the orders of the day. In fact, it was raised again this afternoon by the Leader of the Opposition, and we got one of those stock answers that is sometimes given to us by the government, namely that we have to wait and see where it fits into the parliamentary program. I remind the Minister of Finance that there is practically nothing on the parliamentary program between now and the proposed summer break, certainly hardly any proposed legislation, and that answer is not good enough. He tells us it is a complicated question. That answer is hardly good enough, either. After all, a solution of sorts was found to the problem back in 1957 and 1958, and I am sure the people concerned have been working on the problem for a long time. To ask these people who have waited for a long time for a measure of justice in this respect to wait until fall would be, I think, most unfair. As a matter of fact, one can be sure that a good many of these people will not live to receive their pension increases if they are put off until fall. I do not need to go into all the arguments with the minister. He heard them frequently in the past when he was fully responsible. But I hope that he and his colleagues fully understand that some of us feel very strongly that parliament should not break for a summer recess without dealing with this matter. Does the minister realize that?

[Mr. Knowles.]

Mr. Sharp: Mr. Chairman, it would be impossible to be a member of this house and not be aware of this problem, when I consider all the representations that have been made by the hon. member.

Mr. More: Mr. Chairman, I have one simple question to put to the minister for clarification. The administration of central office and branch offices of the comptroller of the treasury comes under vote 20 of the estimates we have before us. Is this a renumbering, because it seems to me it is when one looks at the supplementry estimates for 1966-67. Those supplementary estimates indicated that this was vote 25g. Has there been a renumbering this year? I am seeking clarification in this respect so I may make some comparisons, or drop making comparisons if I am wrong in relating these items.

Mr. Sharp: I do not know whether I quite understand, Mr. Chairman. The comparative figures are shown.

Mr. More: Supplementary estimates (G) for the fiscal year ending March 31, 1967, under vote 25g show a heading of "Central office and branch offices administration." I ask for clarification because in those supplementaries there is reference to "Professional and special services" and "Travelling and removal expenses." The question has been raised about the central office and branch offices administration, vote No. 20 in the estimates we are considering of $96,700 for "Other professional and special services." There is no comparable item in the estimates of 1966-67, but according to the supplementaries there is an item of $21,000. It is not shown opposite "$96,700" in the estimates for 1967-68, but they seem to be comparable; they both have beside them "(4)" and seem to be related. I also raise this question because there was in the supplementary estimates for 1966-67 an item of $30,500 for "Travelling and removal expenses." Is this amount included in the $275,000 shown for 1966-67, or is the $30,500 additional? These are the points I wanted to make.

Mr. Sharp: Mr. Chairman, I now have the explanation for a couple of the questions asked earlier, including the question concerning professional services. This item of $96,700 was the conversion of family allowance accounts to computers. The key punching is being carried out by a commercial firm plus one government department. I was pretty sure that many of these items related to the conversion of these accounts to computers.

The item of "Travelling and removal expenses" which has, as the hon. member for Vancouver East pointed out, risen by some $70,000 results from the centralization of certain of the operations of the comptroller of the treasury in moving some of their operations from outlying points into central places where computers can be used more effectively. This is resulting in our having to pay certain removal expenses.

Item agreed to.

Tariff board—

25. Administration, $358,000.

Mr. Lambert: Mr. Chairman, can the minister tell us how many references are still outstanding with the Tariff Board and when we may expect reports on those references?

Mr. Sharp: Mr. Chairman, the board has before it now, as directed by me as Minister of Finance, the following references: chemicals, on which they have reported in part, equipment for hospitals and other institutions, and precision instruments and apparatus. These are the three references outstanding at the moment.

Mr. Lambert: Mr. Chairman, does the minister expect a report in the relatively near future, or are these, like the chemicals reference, rather long range examinations?

Mr. Sharp: No, Mr. Chairman, I expect we will receive reports fairly soon on these references. The chemicals reference is probably the biggest reference ever made to the Tariff Board; indeed it was so large that we still have not recevied the whole of the report and have only a summary of it, which we found useful in connection with the Kennedy round. There have not yet been published all the reasons for the recommendations of the Tariff Board. As I understand it, the Tariff Board is not now under the pressure that it was, and we expect to receive their reports much more quickly.

Mr. Orlikow: Mr. Chairman, I wonder whether the Minister of Finance could tell the committee, perhaps next time we meet, if he has been considering the various recommendations made by the Restrictive Trade Practices Commission over the years recommending that where a combine exists—I am not going to go over all the different reports tonight, but we had fine papers, electrical goods and so on—tariff reductions be implemented. I wonder if the minister can at some point report to the house whether these recommendations have been considered, whether the government intends to implement them or whether they are going to continue to gather dust in the back files of the minister's office.

• (10:00 p.m.)

Mr. Sharp: Mr. Chairman, I can only give the hon. member the same advice I gave to another hon. member, namely that he should wait for the results of the Kennedy round of negotiations to be published.

Mr. Orlikow: Mr. Chairman, some of us have been asking this Minister of Finance and former ministers the same question for years. I do not see why recommendations to try to control combines which are against the law, recommendations made by a government agency that the government use its powers to reduce the tariff or to wipe it out to stop the people who are robbing Canada of millions of dollars, have to wait for the results of the Kennedy round. It seems to me the government could use the very simple tool at its disposal of cutting the tariffs so as to protect the interests of the people of Canada.

Mr. Sharp: Mr. Chairman, I notice it is ten o'clock but perhaps I might just say that it is always desirable when cutting one's own tariffs to get some reductions in other people's tariffs at the same time, if one can manage it. I suggest to the hon. member he will not have to wait very long for the results of the Kennedy round. I believe these will be published on July 1.

Item stands.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Knowles: Mr. Speaker, I wonder if I could ask a question about tomorrow's business. Does it include only the estimates of the Department of Defence Production or does it also include the estimates of the Department of Industry?

Mr. Pennell: Mr. Speaker, it is proposed to call the estimates of the Department of Defence Production and the National Research Council. Perhaps I misunderstood the hon. member. I did not catch the full import of his question.

Mr. Drury: I may say that the estimates of the Department of Industry are currently under study by the house committee and have not yet been reported out.

Proceedings on Adjournment Motion

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

CONSUMER CREDIT—INQUIRY AS TO LEGISLATION THIS SESSION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on June 1 I asked the Registrar General whether he intended to introduce legislation in this session to incorporate any of the recommendations of the joint committee on consumer credit. To say the least, the reply of the minister was pretty vague. Certainly he gave no indication that action would be taken this session. This is a matter which is of great concern to many people. Members of parliament have been increasingly aware of the tremendous problems faced by people, particularly those in the low income groups. The result was that over the years as many as a dozen bills were introduced by various members of the house, from all parties, which had the object of controlling the rate of interest, calling for the publication of the true rate of interest, and controlling the door to door sale of merchandise so as to give people the opportunity to cancel the contract, if they signed one, to purchase things without real, knowledge of the facts.

So insistent were the complaints, Mr. Speaker, that the government finally agreed to the establishment of a joint committee of the House of Commons and the Senate to study the question of consumer credit. This committee was chaired jointly by Senator Croll and the present Minister of Agriculture (Mr. Greene), the hon. member for Renfrew South. The committee held its first meeting on June 2, 1964, more than three years ago. So important was the subject which the committee was considering that the committee recommended, and the house approved for the first time, the hiring of expert staff. The committee had working with it a chartered accountant and a lawyer who were able to give the committee expert advice.

The committee heard representations from a large number of organizations representing the retail trade, the finance companies, credit unions, co-operatives, government agencies such as the superintendent of insurance and the Bank of Canada, consumers associations, the Canadian Federation of Agriculture, and a host of others. It became obvious that it was necessary for the government to move into this field by passing legislation.

[Mr. Drury.]

The committee was confronted by evidence that people were paying 20 per cent to 30 per cent interest; that people were borrowing money or purchasing goods when they did not have the slightest idea of the amount of interest they were paying; that people were purchasing goods and the companies selling the goods were selling the contracts for the collection of money to a third agency; that sometimes the merchandise was inferior and even after it was returned the people were still required to pay the money they had contracted to pay. The committee made a series of recommendations concerning the type of legislation that should be passed.

Before I go to that, I want to point out that the committee found what many lawyers already knew, namely that the field of jurisdiction was divided between the federal and provincial governments. The provinces have begun to move in this field. In the *Financial Post* of April 15, 1965 a story appeared which summarized the legislation being considered or already passed by the provinces of Newfoundland, Nova Scotia, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. These provinces have either passed or are considering the passage of legislation covering their jurisdiction.

Now, the committee made some excellent recommendations. It recommended for example that legislation be passed which would spell out what had been commonly referred to as truth in lending so people would know exactly the total cost of credit expressed both in a lump sum and in terms of simple annual interest. The committee recommended that the advertisements which offered credit should be required to set out annual percentage rates, as well as in dollars and cents, the cost to the consumer for the use of money. The committee recommended also that the protection accorded to borrowers under the small loans act be increased from the present limit of $1,500 up to $5,000. Incidentally this recommendation was made by the Porter commission.

The committee recommended a cooling off period of three days for reconsideration by the purchaser of goods on credit from other sources than stores. This committee recommended terms upon which a purchaser may, without penalty, return goods or recover any moneys paid by him, and so on. This was an excellent report.

• (10:10 p.m.)

We now have a department of consumer affairs which will be in the charge of the

Registrar General. To my knowledge, Mr. Speaker, no minister has had the kind of publicity that the Registrar General has had. Every newspaper and magazine in Canada has been filled with stories about the great things the Registrar General is going to do. The *Financial Post* for April 15 carried a story which summarized the ideas the minister had about amending the combines act to give it new and sharper key, extending the legislation to cover service industries and to open the way for injured parties in price fixing cases to sue in civil courts for damages. Then the minister promised a complete review of the Canada Corporation Act, and so on.

Here is a committee which has gone in great detail into a very important field affecting most of the people in Canada, particularly those in the lower income groups.

The Acting Speaker (Mr. Dubé): Order. I regret I must interrupt the hon. member but his time has expired.

[*Translation*]

Mr. Ovide Laflamme (Parliamentary Secretary to Registrar General): Mr. Speaker, just a few words in reply to the opinion expressed by the hon. member for Winnipeg North (Mr. Orlikow) to let him know that the government is very much aware of its responsibilities with regard to the consumers.

The hon. member, who is well acquainted with the important work performed by the joint committee of the Senate and House of Commons on consumer credit and cost of living, knows full well that the over-all legislation to improve the fate of the consumers generally touches upon every measure which can be passed by every level of government, on the provincial as well as on the federal level.

The government, at least for this session, has made known its views on consumer problems generally in the speech from the throne of May 8, when it listed the various legislative measures that it would introduce in the house, and the hon. member also knows that, from the beginning of the session, it has not been possible to introduce such legislation.

Once the legislation suggested in the speech from the throne is decided upon by the cabinet, it will be announced to the house in the usual manner, and hon. members will then have an opportunity to debate it.

Mr. Orlikow: This session?

Mr. Laflamme: Most definitely this session. I may also say to the hon. member that if he has supplementary questions to put to the Registrar General concerning the minister's intentions, he will have an opportunity to do so on Friday of this week, when we will consider the estimates of that department. He will then have the opportunity to ask any question concerning the problems of consumers which, I am sure, interest not only the hon. members opposite, but the government itself which intends to take all the steps that lie within its power in order to deal with the problems facing all consumers, including ourselves.

[*English*]

IMMIGRATION—U.S. CITIZENS IN CANADA TO ESCAPE ARMY DRAFT

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I have a question to bring before the house which is considered the highest court in the land. Before I give some details you might be interested in knowing that the department of immigration has known for some days that I was to raise a question tonight regarding a Greek citizen now visiting in Canada. I am appealing for fair consideration of his application to remain here as a landed immigrant, but the house will be interested to know that the department of immigration, through a man I could identify, an employee of the department in Toronto, notified this Greek citizen on Friday last by telephone to be ready to leave Canada next Friday, June 16. I should not like to accuse the department of immigration of having already made up their mind before they hear the matter that I wish to discuss, but it does appear somewhat as though an appeal court had said to an appellant: "We will hear your appeal tomorrow but be ready to go to Kingston penitentiary the day after".

The last time I had occasion to take up a matter with the parliamentary secretary to the minister I can assure you I received the kindest consideration, and I am expecting the same tonight.

On June 6 I asked this question in the House of Commons, as reported at page 1191 of *Hansard*:

> Mr. Speaker, I have a question which I would like to address to the Minister of Manpower and Immigration. Can he give us any estimate as to how many United States citizens may be visiting Canada at the present time in order to avoid the army draft?

I asked that question because of this Greek who is 23 years of age, unmarried and living

with an uncle in the riding of York-Humber. This Greek came to Canada as a visitor last August. When he came here he came to visit relatives, fully intending to return to Greece. At Christmastime he got in touch with me to ask if I could get an extension of his three month visit so that he could spend Christmas and New Year with his relatives here. This the Department of Manpower and Immigration readily granted.

I never heard from the Greek man until about three weeks ago when I ascertained for the first time that he had made an appeal for landed immigrant status and had been turned down by the immigration department and by the immigration appeal board. Interestingly enough, he was turned down in the first instance on March 8 and appealed some time later in the month, was turned down and ordered deported.

I must bring to the attention of the house and of the Department of Manpower and Immigration that on April 10 and 11 the Minister of Manpower and Immigration issued two statements which I have in my hand, about changes which have been made in the qualifications with respect to landed immigrant status. Those changes are such that the Greek can qualify to remain in Canada as a landed immigrant.

Much more important is the fact that on April 21 there was a revolution in Greece and the country is now in the hands of the army.

When I raised this point with the Minister of Manpower and Immigration in the latter part of May and told him of this young lad who has done service in the Greek army and who does not wish to return to Greece because his country is in the hands of the army, and because the premier has been deposed, and because they do not have democratic government in Greece, I was assured with the answer: "We can assure you that everything is fine in Greece."

On May 29 I received a letter signed by the Minister of Manpower and Immigration—so it must be official—in which this appears:

> In addition to the circumstances of the individual case, you will be interested to know that the department has made enquiries through the Department of External Affairs regarding current conditions in Greece. Our ambassador in Athens reports that conditions are quite stable, and that persons returning to Greece have no reason to fear hardship or difficulty.

That is terrific. With the army in control I imagine conditions are stable in Greece. I can tell the Minister of Manpower and Immigration that conditions are very stable in

[Mr. Cowan.]

Washington and New York, in Buffalo and Los Angeles. The government is in control in the United States. Why do we not force the 300 odd Americans who are over here dodging the draft in the Viet Nam war to go back to the United States? Why force this one Greek who has already done his two years in the army, who has already served his country, to go back to a land that is in the hands of the army?

If conditions in Greece are so stable why are we keeping a Canadian army contingent in Cyprus. I know that Cyprus is an independent republic, but also remember that the hon. member for Villeneuve (Mr. Caouette) and the hon. member who once represented Lac-Saint-Jean (Mr. Lessard) who is no longer with us, kept asking what is to happen to Canadian troops when the Greeks land in Cyprus? The Minister of National Defence (Mr. Hellyer) said that the plans for the evacuation of Canadian troops when trouble starts in Cyprus are complete.

Why send the Greek back to Greece if there is some likelihood of the Greek army invading Cyprus, where we now have Canadian troops. I submit that if we are not ordering the 300 United States citizens back to their country we have no right to order the one Greek back to Greece.

A member of the Canadian federal cabinet went on a United States network and admitted that there are perhaps 300 draft dodgers in this country. I have nothing against them; they have to live with themselves. I remember that between 1914 and 1917 Canadians went to the United States, so perhaps we should not mind if a few people from the United States now come to Canada. Americans can quite easily come to Canada and lose themselves in the population of this country, but a Greek has to provide a visitor's visa when he comes in; his every address is known, as is his every movement. I say, let us be fair to the Greeks in the same way as we are trying to be fair with the Americans. Let us not make fish of one and fowl of the other.

• (10:20 p.m.)

The Acting Speaker (Mr. Dubé): I am sorry I must interrupt the hon. member to tell him that his time has expired.

Mr. John C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): The hon. member for York-Humber (Mr. Cowan) has referred to present conditions in Greece. The department has made inquiries through the Department of External Affairs and we are informed that the ordinary

Greek citizen who is returning to his country, voluntarily or otherwise, has no reason to fear persecution.

The hon. member also has referred to my department's policy toward aliens who may be subject to military call-up in their homelands. An individual's status with regard to compulsory military service in his own country has no bearing upon his admissibility to Canada either as an immigrant or as a visitor; nor is he subject to removal from Canada because of unfulfilled military obligations in his country of citizenship. In any event, in the particular case of Mr. Sistanis, the young man already has completed his period of compulsory military service in Greece and we have no evidence that he is subject to any further compulsory service there.

Mr. Sistanis entered Canada as a visitor and later applied for immigrant status here. He did not comply with the conditions for such a change of status and was asked to leave Canada. His failure to do so resulted in the holding of an inquiry and the issuance of an order for his deportation. The immigration appeal board dismissed his appeal against the order and recommended that the deportation be carried out. The minister can find no reason to change their decision.

Whether or not Mr. Sistanis might qualify for admission to Canada from Greece when new immigrant selection criteria come into force is beside the point. He does not qualify under the conditions the minister announced to the house last July. As hon. members know, the minister is proposing to change and, I believe, improve the criteria for the selection of immigrants. The minister made it clear to the parliamentary committee, however, that it will be some months before our officers are in a position to apply new rules and procedures. No one can say at this point how Mr. Sistanis, if he were in Greece, would stand under those rules. Therefore, it would be unfair to other people if, on the basis of the personal view of the member for York-Humber, the minister were to act now on the assumption that this particular young man is going to be admissible.

It must be clear to any practical person that we would have chaos if the minister were to exercise his discretion to defer settling a case until it could be dealt with under the new criteria, as anything more than a rare exception for particularly strong reasons. The minister is prepared to do this when special hardship may otherwise be involved. Indeed the minister has done so already in a few cases, but he is satisfied that Mr. Sistanis does not come within that category. Therefore the immigration officials will arrange for his deportation as soon as possible.

If he wishes to apply in Athens, in the normal manner, for readmission to Canada as an immigrant when the new selection criteria come into force, the minister wishes to assure the hon. member that his deportation will not be held against him in any way.

Motion agreed to and the house adjourned at 10.26 p.m.

[The following items were passed in Committee of Supply this day:]

DEPARTMENT OF FINANCE

1, 3, 5, 10, 15, 20.

27053—93½

HOUSE OF COMMONS

Tuesday, June 13, 1967

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERIES OF TELEVISION CAMERAS

Mr. Speaker: Yesterday questions were asked about the presence of television cameras in the galleries. Further discussions are now to take place among the house leaders, and pending the outcome of those discussions the cameras have been removed.

[*Translation*]

COMMITTEES OF THE HOUSE

First report of the standing committee on transport and communication, in both French and English—Mr. Macaluso.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

[*English*]

INDUSTRY, RESEARCH AND ENERGY DEVELOPMENT—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Patrick-T. Asselin (Richmond-Wolfe) moved:

That the first report of the standing committee on industry, research and energy development, presented to the house on Thursday, June 8, 1967, be concurred in.

Motion agreed to.

DIVORCE—CONCURRENCE IN FIRST REPORT OF SPECIAL JOINT COMMITTEE

Mr. A. J. P. Cameron (High Park) moved:

That the first report of the special joint committee of the Senate and of the House of Commons on divorce presented to the house on Thursday, June 8, 1967, be concurred in.

Motion agreed to.

TRADE

NICKEL SCRAP—ADDITION TO EXPORT CONTROL LIST

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, following the imposition by the United States government of export licence restrictions on nickel materials intended for destinations other than Canada, nickel scrap, nickel alloy scrap, and other nickel bearing scrap materials, including residues and dross and secondary ingot made from these scrap materials, have been added to the export control list for Canada affecting shipments to destinations other than the United States, under order in council P.C. 1967/1183 of June 13, 1967.

This action is necessary to prevent diversion through the Canadian market of materials now restricted for offshore shipment from the United States.

FISHERIES

TABLING OF CORRESPONDENCE RESPECTING LOG DRIVE ON STELLAKO RIVER, B.C.

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, I ask for permission to table copies of an exchange of correspondence between Hon. R. G. Williston, minister of lands, forests and water resources of British Columbia and myself concerning the log drive on the Stellako river.

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

Some hon. Members: Agreed.

• (2:40 p.m.)

FINANCIAL ADMINISTRATION ACT

AMENDMENT TO PROVIDE FOR EXTENSION OF DUTIES OF AUDITOR GENERAL

Mr. R. N. Thompson (Red Deer) moved for leave to introduce Bill No. C-130, to amend the Financial Administration Act (parliamentary commissioner for administration).

Some hon. Members: Explain.

Mr. Thompson: Mr. Speaker, this bill is necessitated by the fact the government has failed to deal effectively with the recommendation of the special committee to set up the office of ombudsman. Actually this bill extends the duties of an office already in existence, that of the Auditor General. This office, which is already organized to deal with such matters, has no authority for certain functions and duties which by his own admission the Auditor General has already assumed because of the nature of his office. This bill would therefore set up an ombudsman for administrative matters. The bill is related to Bill No. C-36 but is complementary to it in

the setting up of a special ombudsman for administrative affairs.

Motion agreed to and bill read the first time.

CANADIAN BILL OF RIGHTS

AMENDMENTS RESPECTING ELIMINATION OF DISCRIMINATION AND RIGHT TO APPEAR IN COURT

Mr. R. N. Thompson (Red Deer) moved for leave to introduce Bill No. C-131, to amend the Canadian Bill of Rights.

Some hon. Members: Explain.

Mr. Thompson: Mr. Speaker, this bill makes specific provision in the Canadian Bill of Rights to eliminate discrimination by reason of belonging to a particular profession or trade or by reason of one's education in respect of the basic rights or freedoms recognized by the Canadian Bill of Rights. It provides also for the right of a Canadian citizen to appear in person before courts and tribunals, and the right to handle his own case. Furthermore, if a decision is rendered in his favour he should be reimbursed for the costs therein involved.

Motion agreed to and bill read the first time.

[*Translation*]

CRIMINAL CODE

AMENDMENT RESPECTING OFF-TRACK BETTING

Mr. Fernand-E. Leblanc (Laurier) moved for leave to introduce Bill No. C-132, to amend the Criminal Code (Off-track betting).

Some hon. Members: Explain.

Mr. Leblanc (Laurier): Mr. Speaker, this bill has three main objects:

1. To legalize off-track betting which now exists illegally and is controlled by the underworld. Provincial governments could either control betting entirely or hand over its control to private enterprise subject to strict citizenry.

2. To provide provincial coffers with money which could be used for education or other ends related to the well-being of youth and citizenry.

3. To facilitate federal-provincial fiscal relations at coming conferences by decreasing the needs of the provinces.

Motion agreed to and bill read the first time.

[Mr. Thompson.]

[*English*]

LABOUR RELATIONS

GREAT LAKES—THREATENED STRIKE BY SEAMEN'S UNION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct my question to the Minister of Labour and ask him whether it is correct that he has received a telegram from Leonard McLaughlin of the S.I.U. threatening a strike of the 15,000 S.I.U. seamen on the great lakes. If so, what has been his reply and what action, if any does the government intend to take in this regard?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, having just returned from the I.L.O. conference in Geneva, I will have to take the question as notice.

UNITED NATIONS

MIDDLE EAST—CANADIAN ATTITUDE TOWARD RESOLUTION RESPECTING AGGRESSION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question I should like to direct to the Prime Minister. My question is, what is the position of the government with respect to the very unusual suggestion coming from the Soviet union that the question of whether Israel is guilty of aggression be referred to the general assembly of the United Nations?

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, that will be a matter to be considered by the security council, I take it, in the terms of a resolution being submitted to it. Our delegate, acting on instructions from the government, will make the position of the government known when the time comes to vote on the resolution. We should like to hear the views and the remarks of others before a final decision is taken, which will depend to some extent on the debate and the terms of the resolution. Meanwhile I can say that if the resolution is merely in terms which denounce Israel as an aggressor in this particular matter within the meaning of the charter, we would not support that resolution.

BUSINESS OF THE HOUSE

REQUEST FOR REFERENCE OF BUSINESS TO INDIAN AFFAIRS COMMITTEE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, in the absence of the house leader I should like to direct my question to the acting house

leader or the Prime Minister and ask whether it is the intention soon to refer something to the Indian affairs committee so the committee can conduct the business it was prevented from conducting last session.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I will discuss this matter with the house leader as soon as he returns, which I believe will be later this evening.

NATURAL GAS

DECISION BY U.S. COMMISSION ON PIPE LINE APPLICATION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the minister of energy and resources. Would the minister inform the house when he expects the federal power commission to reach a decision on the application of Trans-Canada Pipe Lines for the construction of the United States portion of the proposed pipe line?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I can only repeat what I said before, that this is still a secret. There are rumours from Washington that the federal power commission is about to make a decision, but it is still only a rumour.

MR. JUSTICE LANDREVILLE

REQUEST FOR STATEMENT ON POSSIBLE PAYMENT OF PENSION

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, I should like to rephrase yesterday's question to the Prime Minister. Will the government immediately clearly indicate its intention that under no circumstances will a judges pension be paid to L. A. Landreville?

Right Hon. L. B. Pearson (Prime Minister): That matter has already been answered in the house by the Minister of Justice, Mr. Speaker.

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

FISHERIES

INQUIRY AS TO ESTABLISHMENT OF GEOGRAPHICAL CO-ORDINATES

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to ask a question of the right hon. Prime Minister, arising out of an answer given to me yesterday by the Minister of Fisheries in relation to base line co-ordinates under the Territorial Sea and Fishing Zones Act. In view of the fact that it appears likely the Secretary of State for External Affairs will be preoccupied for some time, would the Prime Minister be prepared to consider transferring official responsibility for the negotiation of base line co-ordinates to the Minister of Fisheries?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the Secretary of State for External Affairs is as interested in this matter as he has always been. It is also being pressed vigorously by the Minister of Fisheries, who is concerned with the problem and working with the Secretary of State for External Affairs to find a conclusion as early as we possibly can.

HEALTH AND WELFARE

REQUEST FOR INVESTIGATION INTO ADDITION OF ANTIBIOTICS TO LIVESTOCK FEED

On the orders of the day:

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I have a question for the Minister of National Health and Welfare but in his absence I will direct it to the Minister of Agriculture.

In view of the fact that Canada was represented at a symposium in Washington held by the national research council and the national academy of sciences at the request of the food and drug administration, where it was decided that antibiotics added to livestock feed result in the emergence of drug resistant bacteria, is the government planning to investigate this matter further?

Mr. Speaker: Order. I suggest to the hon. member that his question might be placed on the order paper.

EXTERNAL AFFAIRS

CANADIAN REPRESENTATION OF BRITAIN IN EGYPT—SHIPS IN SUEZ CANAL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am not sure the Prime Minister can give an answer to this question at once as the matter just came to my attention as I came into the house. I should like to ask him whether Canada is now looking after the interests of Britain in Egypt as the result of the severance of relations; and can he advise the house as to the

position of four British cargo ships presently marooned in Great Bitter lake in the Suez canal? The company which owns them claims that this places these ships in great jeopardy.

Right Hon. L. B. Pearson (Prime Minister): As far as the latter part of the question is concerned, Mr. Speaker, I do not know anything about these four British ships. We will make inquiries, but perhaps the British government would know more about their ships than we do.

So far as the first part of the question is concerned, we have been looking after the interests of Great Britain in the United Arab Republic for a good many months, and there is no reason that we should not continue to do so, as far as I am aware.

Mr. Diefenbaker: Will the Prime Minister have an inquiry made in this regard, in view of the fact the British government is unable to obtain this information?

Mr. Pearson: I would be glad to make an inquiry into this matter, though I would think the owners of the ships or the British government would know where the ships actually are. We will be glad to make inquiries.

LABOUR CONDITIONS

SYDNEY, N.S.—REPORTED FURTHER LAY-OFFS AT STEEL PLANT

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is directed to the Minister of Industry. Is he aware of the Canadian Press item today which indicates that 300 or 400 more men received layoff notices at the Sydney plant? If so, what steps does he consider can be taken to assist in solving this most serious matter along the lines I suggested the other day, to which the Prime Minister agreed? I suggested an investigation could be carried out in co-operation with the Nova Scotia provincial government.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, we are carrying out the investigation agreed to by the Prime Minister.

IMMIGRATION

DENIAL OF LANDED IMMIGRANT STATUS TO GREEK SHEPHERD

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I have a question I should like to address to the Minister of Manpower and Immigration. I have his letter denying landed immigrant status to a Greek shepherd, and I should like to ask the minister whether Moses, who looked after sheep for 40 years, or King David, who was also a shepherd, would have been admitted to Canada under the present regulations.

Some hon. Members: oh, oh.

Mr. Speaker: Order. I am wondering whether the Prime Minister wishes to reply to the hypothetical question.

Mr. Cowan: Nothing hypothetical. A Greek has been refused landed immigrant status.

Right Hon. L. B. Pearson (Prime Minister): My hon. friend will never get into the promised land by asking that kind of question.

Some hon. Members: Oh, oh.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Does the answer of the Prime Minister indicate that the hon. gentleman is about to go to the other place?

Mr. Pearson: It would not be a bad idea.

Mr. Cowan: I do not expect to see the cabinet where I am going—up there.

Some hon. Members: Oh, oh.

HOUSING

INQUIRY AS TO FORMATION OF NEW DEPARTMENT

On the orders of the day:

Mr. Reid Scott (Danforth): I wish to address a question to the Prime Minister in connection with housing. Some time ago the right hon. gentleman said he was considering the creation of a full time ministry of housing and urban affairs. In view of the continuing housing shortage I wonder whether a decision has been made to set up such a department. If so, is the Prime Minister in a position to announce it?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker; no decision has been made. This does not mean we are less concerned about housing difficulties than we were. All efforts are being made, and I am glad to say the situation is more encouraging than it was a few weeks ago.

Mr. A. D. Hales (Wellington South): A supplementary question to the Minister of Labour who is responsible for housing. Is the

minister giving consideration to extending the loans on existing housing?

Hon. J. R. Nicholson (Minister of Labour): The matter is under constant study. If a decision to make any changes is reached it will be announced in due course.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO AMENDMENTS RESPECTING FORESTRY WORKERS

On the orders of the day:

Mr. J. R. Keays (Gaspé): I wish to direct a question to the Minister of Labour and inquire whether in considering amendments to the unemployment insurance regulations now before the cabinet for approval any consideration has been given to amending the legislation as it applies to forestry workers.

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

EXTERNAL AFFAIRS

MIDDLE EAST—RECEPTION BY CANADA OF ARAB REFUGEES

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): I wish to direct a question to the Prime Minister in the absence of the Secretary of State for External Affairs. In view of the fact that great numbers of Arab refugees are now in refugee camps or wandering unwanted from place to place, will Canada, as a contribution to a peace settlement in the Middle East, offer to receive a generous number of these Arab refugees?

Right Hon. L. B. Pearson (Prime Minister): This agonizing and continuing problem, which is likely to become an even more serious problem in the future, has been receiving attention in the United Nations over the years, as the hon. member knows, without much success. The problem is now greater than ever and it will require more attention and much more action on the part of the United Nations. Just as Canada has played her part, I think, in previous efforts to deal with this situation, we shall certainly play our part in any new and more effective effort which may be made.

• (3:00 p.m.)

SUPPLY

The house in committee of supply, Mr. Dubé in the chair.

Supply—Defence Production

DEPARTMENT OF DEFENCE PRODUCTION

1. Departmental administration and (a) the care, maintenance and custody of standby defence plants, buildings, machine tools and production tooling; (b) grants to municipalities in lieu of taxes on crown owned defence plants operated by private contractors and (c) the repair of office equipment for all government departments, $25,669,000.

The Acting Chairman (Mr. Dubé): House again in committee of supply, estimates of the Department of Defence Production for the fiscal year ending March 31, 1968. Vote No. 1 will be found at page 66 of the blue book. The details thereof are listed at page 67. Shall this item carry?

Hon. C. M. Drury (Minister of Industry): Mr. Chairman, in respect to the Department of Defence Production I would like to refer briefly to both the department's traditional responsibility in the field of defence procurement and the additional undertakings that are being assumed in the purchasing and supply field for the civil departments of the government. I propose to deal initially with the Department of Defence Production, and when consideration of that is completed to tackle separately, and I hope in order, the emergency measures organization and, if we have time following that, the National Research Council.

The Department of Defence Production is responsible for the procurement of goods and services for the Department of National Defence, and also for ensuring that the necessary production capability is available to support our defence production program and related activities.

In addition, as I mentioned last year in my statement on the departmental estimates, the department is continuing to implement the recommendations of the royal commission on government organization which relate to departmental purchasing and supply responsibilities. In this connection as I indicated last year, the government, has approved the establishment within the department of a central purchasing agency to serve all departments and agencies of the federal government other than the commercially oriented crown corporations. The government has also approved the establishment of the basis for an integrated supply service.

Although it would not be appropriate to review all the procurement programs of the department at this time, I would like to draw the committee's attention to several areas of activity.

In shipbuilding a study of government procurement policies resulted in the adoption by the government of the principle that national competition should be sought whenever the nature and operational circumstances of the requirement so permitted. Procedures have now been introduced to let shipbuilding work competitively. Results of this policy have been successful.

A contract has been awarded to the Saint John Shipbuilding and Dry Dock Company Limited for the construction of two operational support ships for the Royal Canadian Navy. This is the largest shipbuilding contract ever placed in Canada, and these two ships will increase the fleet's anti-submarine warfare potential by keeping our destroyers at sea for a longer period than is now possible.

The modernization and refit of seven destroyer escorts of the *St. Laurent* class was completed in the fall of 1966. Work on the modernization of the first of seven vessels of the *Restigouche* class is being undertaken by H.M.C. Dockyard, Halifax. The six following vessels will be modernized by commercial shipyards selected through competitive tenders. The work on the first of these ships is scheduled to commence in January, 1968.

Production contracts for new and advanced sonar systems for these ships are in progress. New data processing methods for anti-submarine warfare are being developed which will result in a significant improvement in the ships' capabilities, and new communications systems are to be installed using a unique method of switching to permit common use of antennae, thus reducing deck clutter. Studies are under way to establish a method of electronically monitoring all the ships' systems in order to improve maintenance procedures.

The first of the three *Oberon* class submarines being procured from the British ministry of defence, the *Ojibwa*, was delivered in September, 1965 and the second submarine, the *Onondaga*, which was lauched the same month is scheduled for delivery in mid-1967. The *Okanagan* is scheduled for delivery in mid-1968.

Four vessels are being constructed for the Department of Energy, Mines and Resources in support of their hydrographic, oceanographic and linographic research programs in international, Canadian coastal and great lakes waters. Under this program contracts were awarded late in 1965 for two tidal and current survey vessels, with completion scheduled for August and October, 1967. Contracts for two other research vessels were awarded in 1966 with completion scheduled for August, 1967 and May, 1968.

A contract for a naval research establishment vessel required to provide an ocean-going research facility for acoustic, anti-submarine warfare, hydrographic and oceanographic research was awarded in November, 1966, as a result of competitive tenders. Completion of the vessel is scheduled for early 1969.

In the field of communications, consultants are completing a comprehensive study of the design of a modern communication system for the Department of National Defence. In addition a wide range of equipments is being purchased to provide communications for the operational elements of our forces.

In the aircraft field, in addition to the production of the 115 CF-5 aircraft for the Canadian armed forces, significant programs include the de Havilland Buffalo aircraft. Progress on our own military order for 15 of these aircraft is satisfactory, and 12 aircraft have been sold commercially in the export market. Current and prospective sales of the de Havilland twin engine Otter aircraft, which features the Canadian designed and manufactured PT6 turboprop engine, justify our initial confidence in and financial support of these two programs.

[*Translation*]

The first of seven Falcon Dassault transport aircraft was accepted in Paris several weeks ago. The Canadian industry must prepare plans for the electronic systems that it will have to install; it will also furnish the seven aircraft.

Ten Bell tactical transport helicopters are also being purchased for the Canadian armed forces.

[*English*]

Export sales of the Canadian designed and produced Black Brant research rockets are being made by Bristol Canada whose facilities are able to offer quick delivery to potential customers.

Modernization programs, including the fitment of new avionic equipment, are being carried out on such aricraft as the CS2F Tracker, Argus and Neptune anti-submarine warfare aeroplanes and CHSS-2 Sea King helicopters. My departmental officers are also collaborating with the aerospace industry and other nations in a number of interesting development projects with good market potential. For example, the CL84 vertical and short

take off and landing dynavert is now being evaluated by the United States.

While we may tend to emphasize the development and production of new aircraft, there are also contracts placed, totalling some $70 million annually, for the repair of aerospace equipment, with 40 to 50 contractors from coast to coast in Canada.

The Department of Defence Production is also continuing to procure various types of conventional weapons and ammunition to meet the training requirements of the Canadian defence forces. To the extent feasible these requirements are produced in Canada.

The recent development of the anti-submarine projectile which has now been introduced into the Canadian navy has resulted in substantial sales of this item to Britain and to the Netherlands. Canadian development of the Lance lightweight launcher is on schedule. This development is being supported under the Canada-United States defence development and production sharing program. Already an initial production order has been received as a result of development work.

Negotiations have also been completed for the procurement of 800 military type jeeps to replace similar vehicles bought during the Korean conflict. Delivery was obtained on the majority of the 150 aircraft refuelling trucks previously ordered for support of the air service at home and abroad. Action is now under way to purchase Lynx command and reconnaissance vehicles, self propelled 155 mm. howitzers, and Ram trucks to replace the present M37 cargo trucks.

[*Translation*]

The contracts awarded on behalf of the Canadian Centennial Commission and of the Canadian Corporation for the 1967 World Exhibition are of very special interest this year. They deal mainly with the purchase of railroad cars for the centennial train and the operation of the train, the production of the truck-trailers needed for our eight centennial caravans and the operation of special trains to ensure the transportation of the heads of state who will visit Canada.

The Department of Defence Production bought a great number of articles for Expo, including the exhibits for the theme pavilions and awarded contracts for printing and services.

• (3:10 p.m.)

[*English*]

The complexity of military equipment required to meet the most modest and limited defensive roles is continously increasing. This expansion in technical sophistication arises from the necessity to achieve greater flexibility of application and, by increased automation, to raise the efficiency of employment of military manpower. These factors contribute substantially to the steady rise in the cost of developing and producing modern defence equipment, which has been evident in the past few years and which is expected to continue in the future.

In common with our allies we seek to achieve maximum cost effectiveness in the application of our necessary defence budgets. This means that every defence procurement contemplated must be considered not only in the sense of military necessity but also in regard to many interrelated economic factors. We must strive to obtain the best equipment for the lowest cost while at the same time considering the importance of the procurement to the maintenance of an essential minimum Canadian industrial defence base and the extent to which it may contribute to our over-all national economic growth.

Our allies are generally faced with the same considerations and it is becoming increasingly apparent that in many cases our mutual interests are best served by co-operative development and production. By such means the cost reduction advantages attendant on larger scale production can be realized. At the same time the development investment and risk can be shared and the participating nations afforded the opportunity to specialize in fields of technology appropriate to their resources and interests. The number of such co-operative projects is steadily increasing, involving not only the smaller nations but also the larger powers who in spite of their extensive industrial resources are finding it progressively more uneconomical to justify independent development and production. The difficulties inherent in putting together multi-national defence equipment programs are very great, but expertise is being developed in Canada which is being put to good use.

It would not be practical to review all such projects in which Canada is involved at present or likely to be in the future. I would, however, like to refer to two typical projects now in being. First in the aricraft field, where production of 115 CF-5 aircraft for the Canadian armed forces is proceeding on

schedule, the government of the Netherlands has now confirmed its desire to participate in the Canadian production of the CF-5 tactical ground support fighter. The Netherlands air force is in the process of placing orders for 105 aircraft and associated spares, which will have the effect of almost doubling the production requirement over the next four years. This arrangement offers potential savings to both governments in production costs and the lifetime maintenance expenses for the aircraft. Expanded navigation and other facilities are being added by the Netherlands thus further increasing the flexibility and effectiveness of this aircraft in certain roles. Both the Canadian and Netherlands aerospace industries will be co-operating in the manufacture of the many components and subassemblies required, and this association offers the opportunity to develop advantageous longer term industrial trading relations.

Second, in the area of battlefield surveillance systems Canada, Britain and Germany have co-operated in the development in Canada of the CL-89 reconnaissance drone. The three countries shared the cost of this successful development on an equal basis and are currently planning production to start later this year to meet their joint requirements. By sharing the cost and the risk the three countries will thus be able to acquire essential advanced defensive equipment for a minimum investment.

The department will continue to explore and develop all such opportunities for co-operation wherever it appears in the best interests of Canada and of our allies.

As a step toward the implementation of the recommendations of the royal commission on government organization, a thorough evaluation of defence acquisition methods and techniques indicated early in 1966 the possibility of a significant improvement in departmental management of major defence procurement projects. Accordingly it was decided to establish a program of single office project management within which a single officer would be assigned appropriate authority and responsibility for managing all aspects of the implementation phase of selected procurement projects. The primary responsibility of these project managers will be to maintain the time, cost and performance objectives established by the funding authorities.

The project managers head small offices composed essentially of planning, engineering and contractual capabilities which enable them to arrive at optimum trade-off decisions by logical and systematic evaluation of cost versus effectiveness. Where such decisions are beyond their authority the project managers present alternative solutions directly to senior management for policy decisions.

Responsibility for establishing this new program within the department has been assigned to the project management branch. It is responsible for the establishment of project offices for acquisitions which have a high cost and/for priority; involve organizational complexity or technical risk; require extensive interdepartmental or international co-ordination; or have potentially difficult industrial or economic aspects. Examples of projects which fall within this area of activity are the CF-5 aircraft, the CL-89 surveillance drone and the periscopter short range elevated viewing device.

Before closing my statement I would like to refer to the present status of departmental activities relating to the implementation of those recommendations of the royal commission on government organization which relate to the responsibilities of the Department of Defence Production.

As regards the consolidation of all purchasing for federal departments and agencies other than the commercially oriented crown corporations, I am pleased to report that a consolidation plan and schedule has been established and to date a total of 16 agencies and departments have had their purchasing functions taken over in whole or part. In addition it is planned to consolidate the purchasing activities of the Departments of Fisheries, Transport and National Revenue before the end of 1967. It is also planned to transfer the purchasing functions now remaining with the Departments of Indian Affairs and Northern Development, Public Works and Manpower and Immigration to the Department of Defence Production early next year.

The Canadian government supply service is comprised of No. 1 supply centre in Ottawa, warehouses in Toronto and Montreal, 16 regional purchasing offices in Canada, Britain and western Europe, and seven headquarters branches. These seven branches perform many diverse functions related to materiel management within the federal government.

The operational elements of the C.G.S.S. are concerned with regional purchasing, the repair and maintenance of office machines, No. 1 supply centre, which is the prototype C.G.S.S. supply centre, and warehouses in Montreal and Toronto. At the present stage of

supply consolidation the Department of Defence Production has assumed responsibility for stationery, paper, furniture and a few other minor commodities for all government departments. During the 1966-67 fiscal year No. 1 supply centre issued 445,000 line items of these commodities having a value of $10,218,000, and C.G.S.S. regional purchasing offices arranged for the purchase of materiel and services valued at over $102 million.

The technical services branches of the C.G.S.S. provide the technical support and functional direction required by the operational elements oof the supply service. In addition these branches provide civil government departments with advice and service in the functional areas of cataloguing, traffic management, quality assurance and specifications and standards.

The cataloguing branch up to March 31, 1967 had identified and catalogued approximately 50,000 line items, of which 56 per cent were new items and 44 per cent were either common with existing catalogued items or disposable, thus providing an opportunity for a reduction in inventory as supply consolidation proceeds. This branch also produced purchase descriptions for 4,600 fast moving items to allow more efficient and competitive procurement. It further assisted Canadian industry by providing identification and sourcing data to facilitate bidding on NATO contracts for certain technical equipment requirements.

• (3:20 p.m.)

The traffic management branch has negotiated for federal government employees special hotel rates with an estimated saving of $150,000 a year. The introduction of an analysis of the freight content of contracts is expected to result in a cost reduction of nearly $200,000 annually. A new method of acquiring in-transit insurance on a governmental group basis for household goods removals will reflect a decrease in insurance cost at an annual rate of approximately $390,000.

During 1966 the Canadian government supply service made progress in developing the organizational structure, management plans and operating systems required for the consolidation of civil government supply activities in the capital region. These important preliminary activities will permit the C.G.S.S. to develop plans for the gradual assumption of certain supply activities now being carried out individually by numerous departments and agencies across the country.

In 1966 the Departments of National Defence and Defence Production agreed to a set of principles on which an integrated federal materials management system will be based. The primary objective of the integrated system is to provide the government of Canada with a wide system for the procurement and supply of material and associated support services at minimum cost. My officers are cooperating with their counterparts in D.N.D. to bring about the achievement of this objective. A major activity of the C.G.S.S. during the current fiscal year is the consolidation of civil government supply facilities in the capital region. There are some 150 warehouses and substores being operated by civil government departments in the capital region. It is planned to consolidate these stores into No. 1 supply centre.

Mr. Chairman, I commend these estimates to the consideration of the committee.

Mr. Harkness: Mr. Chairman, I should like to thank the minister for having shed some light on the activities of his department. However, most of what he said was with regard to the procurement of certain military equipment or the plans in connection therewith, and I think most of us in the house are very considerably befogged as to just what is the situation in the Department of Defence Production, how it is organized at the present time, the activities it carries on and how those activities are apportioned within the department.

I note from the estimates that there has been a considerable increase in staff. This increase has amounted to something better than 400. I presume the increase in staff has been to take care of the function of purchasing on behalf of all government departments, which it was planned this department would take over. The minister in his remarks noted that there are 16 agencies for which the department is now purchasing. He also said there are a number of others in regard to which the department will be carrying out the purchasing.

I hope the minister will be able to tell us to what extent the department has taken on the purchasing function for all government departments as planned, in other words how many departments do not have their purchasing carried out by this department. Also, is it planned that all departments will eventually have their purchasing carried out by the Department of Defence Production? I am in very considerable doubt as to the extent to which this policy, which I think was announced two years ago, of the department

becoming the purchasing agency for all departments has actually been implemented. When the minister says 16 agencies I do not know whether that means 16 departments, branches of departments, crown corporations, or exactly what it does mean. Therefore I hope the minister will elucidate further on this question and tell us exactly what is the situation.

I think it would also be helpful, though probably it cannot be done at this time, if the minister would issue a chart showing the present organization of the department and the functions carried out by each of the branches or parts of the department. At the present time, in view of the numerous changes that have been carried out, I personally—although I was fairly familiar with this department at one time—do not know what the situation is, how the department is organized and how it carries on these various functions.

I believe we should also know what proportion of the activities of the department are devoted to its original purpose, the purpose for which it was set up, that is defence production, supply and purchase and associated activities. What proportion of the activities of the department is really concerned with this new function which has been undertaken, that of being the general purchasing agency for all government departments or a certain proportion of them? At the present moment I do not think anybody in the house has any idea of the division of work as between the personnel of the department and its general resources vis-à-vis the two chief functions for which the department is responsible.

I should like some information on another matter. What is the situation of the Department of Defence Production vis-à-vis the Department of Industry? I have an idea that a good deal of the administrative work for the Department of Industry is carried on by the Department of Defence Production, but I do not know whether this is actually the case. I should like the minister to give us some information in this respect and tell us what is the relationship between these two departments. To what extent does the Department of Defence Production carry on administrative work for the Department of Industry?

I note in looking at the estimates that the Canadian Commercial Corporation has disappeared except for a bookkeeping entry, as far as I can make out. Apparently the work formerly carried out by the Canadian Commercial Corporation is all being done by departmental personnel. There is no item left

[Mr. Harkness.]

for personnel and administrative costs in connection with the Canadian Commercial Corporation. The only item left is a payment by the Canadian Commercial Corporation to the Department of Defence Production for administrative services. It would appear that for all practical purposes the Canadian Commercial Corporation has disappeared. All the work it carried out is now being done directly by the Department of Defence Production.

I wonder what is the purpose of keeping this corporation in existence as far as the estimates book is concerned, and showing this one entry of a payment by the corporation to the department. In other words, we vote so much money to the Canadian Commercial Corporation, and that money is then turned over to the department to cover administrative and other costs for work formerly carried out by the Canadian Commercial Corporation. Perhaps the minister could explain why this item is still in the estimates, and why the name of the Canadian Commercial Corporation is still maintained when it would appear that its functions have been taken over by the personnel of the Department of Defence Production.

I also note that the provision for the care, maintenance and custody of stand-by defence plants, buildings, machine tools and production tooling is down to a little more than half what it was before. I wonder how many stand-by defence plants and what tools, etc., are still left. I should like to know where those plants which are left are located and what is the purpose of retaining them at the present time, in view of the fact that the majority of the plants, tools, equipment and so on have been disposed of, as far as I can see.

Those are some of the general questions which a cursory examination of the estimates has brought to my mind and to which I hope the minister will be able to supply answers.

• (3:30 p.m.)

In the remarks he made under the general heading of government procurement policies he dealt first with the shipbuilding program and stated that shipbuilding contracts have been put on a competitive basis. I wonder whether this so-called competitive basis on which the shipbuilding contracts have been placed actually works. This is not the impression we have, particularly judging from the history so far as we know it, of the refitting of H.M.C.S. *Bonaventure.* I believe it has been alleged that the original tender was let

on a competitive basis. The cost of the refitting is now considerably more than double what the original tender called for. To say that shipbuilding contracts are let on a competitive basis is I think, a travesty. First a contract is let on a competitive basis and then it is increased until the original cost is doubled. Although it may be said that a contract is let on a competitive basis, what it really comes down to is a cost plus basis in view of all the money which is expended above the initial tender. This again is a matter on which we need some explanation, particularly with regard to the refitting of the *Bonaventure* about which I think many people may have quite a number of questions. Perhaps some of my colleagues would like to ask more specific questions on that matter.

With regard to aircraft, the minister spoke at some length about the CF-5. All he said was that the program was going ahead satisfactorily. This is, of course, a nice, pleasant, general statement such as we have heard in this house on many occasions, and very frequently it does not mean too much. I should like to know when deliveries of the CF-5's are to start. The program was announced, I believe, nearly 18 months ago and production was to have started well over a year ago. Therefore one begins to wonder when deliveries of this aircraft will commence.

Another question I should like to put to the minister is, what proportion of the total cost of these aircraft will cover work done in Canada and what proportion of the cost will cover parts of engines or frames imported from the United States? In considering the value of producing an aircraft such as the CF-5 or any other aircraft in Canada, it is quite material for members of the house to have an idea of how much of the total cost which the taxpayer pays for these aircraft covers imports into the country and how much covers labour and goods which are Canadian in their origin.

The minister said something about an anti-submarine projectile of which there had been sales to the United Kingdom and other countries. I do not know whether he was referring to a projectile for aircraft use or for use by destroyers or other ships. Perhaps the minister could give us some information on this matter. I should also like to know where in Canada these anti-submarine projectiles are being produced and who is the contractor for them.

With regard to the general question of defence production sharing, as it is called, we would also be interested to know what have been the total sales of defence equipment to other countries and what have been the total imports of defence equipment from other countries, particularly to and from the United States. Putting defence production on a reasonably shared basis has been an awkward and thorny question over the years. During the period when I was minister of defence we were constantly working on the problem, in conjunction of course with the Department of Defence Production, in order to try to persuade our allies in NATO to adopt more common programs with regard to equipment of all kinds. It was always an uphill struggle and it was always difficult. In fact it proved to be impossible to get unanimous agreement on a single article that I can think of because every country was anxious to produce as much of its own defence equipment as it possibly could. However, a considerable amount of progress was made. The extent to which we do sell defence equipment to other countries is one of the measures of the success of the efforts which were made through the years toward this end. However, as I say, I would like to know what the general picture is in that regard so far as the operations of the past years are concerned and particularly whether we have a debit or a credit in foreign exchange payments as a result of this type of activity.

I would like to say something about a number of other matters such as Canadian Arsenals and in particular the emergency measures organization. However, as I understoood the minister's remarks he hopes to deal with each of these subjects in turn. Therefore I will defer my remarks on these other subjects until we have disposed of the general discussion on item 1 of the estimates of the Department of Defence Production.

Mr. Barnett: Mr. Chairman, the minister's opening remarks can really be divided into two parts, first, a report to the house on the traditional role of the Department of Defence Production in procuring for the armed forces of Canada and, second, the transformation of the department into a procurement agency for government departments generally. My own feeling with respect to the second part is that his remarks were in the nature of an interim or progress report. While the process of transition, to which the hon. member for Calgary North referred, may have been going on for some time it has not yet reached the point where we could expect much more from the minister than he gave us in his opening statement. Second, I believe it has not yet reached

the point where members of the house generally are in a position to judge fully the success or otherwise of the developments that have been taking place in this direction. In any event, I think we all recognize that the department as a whole is largely concerned with what one might term the internal housekeeping operations of the federal government. In my view this lends itself much more readily to the kind of consideration that could be given by a standing committee of the house where various officials of the department could be heard in greater detail. This would be true, of course, unless there were particular policies that required full debate in this chamber.

• (3:40 p.m.)

I should like to suggest, therefore, that possibly by the time the departmental estimates are considered next year we may very well have reached a point where it would be worth while for the estimates to go before a committee so that the developments that have been taking place within the department could be reviewed in some depth. I make this suggestion with two purposes in mind. The first would be to give members of the house who are most interested and concerned a well-rounded picture of what is occurring. Second, this procedure would enable members to form judgments that would be based on detailed information. So far as the work of the average member is concerned, Mr. Chairman, I suggest that, apart from that kind of approach, the questions involved in internal housekeeping come to us largely as the result of rather accidental situations that may develop in conjunction with other aspects of our general work as members.

There is a question in connection with central purchasing and distribution which will have to be discussed at some point and on which we should have detailed information when such information can be properly made available. We should be informed about whether the trend toward central purchasing and distribution of government supplies is in actuality creating more efficiency and economy, whether this procedure has the kind of flexibility that is necessary to meet efficiently the requirements of operating departments. There is, of course, the danger of simply creating another area of bureaucracy, as a result of which the people working in the field in the various departments may find it much more difficult to go ahead with the tasks they are required to perform. This is one of the dangers in having another agency through which they have to go in order to get their supplies. This matter can only be assessed when we have had an opportunity of reviewing the whole operations of the department in some depth in a standing committee. At some appropriate stage such a committee may wish to ask members of the various operating departments of government their opinion of the arrangement of having purchases made through a central agency of government.

So far as the minister's report to the committee is concerned, I think he indicated that progress has been made in the general direction that we all agreed we should go at the time the program was announced. There is little more that one can usefully add by way of general observations at this point in the development of this program under the minister's department. I hope the minister will give us some indication whether he agrees or disagrees with my suggestion that in a year's time it may be desirable from his point of view and the point of view of members generally that the kind of review I have proposed be made.

Mr. Thompson: Mr. Chairman, I wish to bring to the attention of the committee some of the points that have been mentioned already by the hon. member for Calgary North. I believe that he touched only briefly on a major development in the Department of Defence Production. I am referring to the staff increase in departmental administration. As the hon. member for Cargary North mentioned, the increase in staff for 1967-68 over previous years is 412. Most of the increase is in the higher salary brackets. There has been an increase of four, from 16 to 20, in the senior officer level within the $14,000 to $16,000 bracket. At the executive level there has been an increase of five in the salary range of $10,000 to $12,000. However, the real increase appears under the administration and foreign services section where there is an increase of 69 in the senior officers. There is an increase from zero to 69 in one year. In the second salary category under administration and foreign services there is an increase of 506 in the $14,000 to $16,000 bracket.

I realize that in some of the brackets a little farther down there has been a decrease in administrative staff. However, as I have noted there is a total net increase in personnel of 412 and for the most part the increase is at the senior level. There has been a tremendous increase in the total cost of administrative personnel. The increased cost in

1965-66 over the previous year was something over $4 million and the increase in 1966-67 over the preceding year is over $5 million. The total increase in two years amounts to more than $9 million or 66 per cent.

Having in mind that the department is taking over the responsibility of purchasing supplies for many government departments, some of this increase is justified. However, the increase is so large that it seems to me the minister should give the committee a detailed explanation of the reason for the tremendous increase which has taken place in the last year. The estimates show that the expenditures for this calendar year are going to be far in excess of the normal productivity growth of the country.

While the government is engaged in slowing down many other areas, particularly the private sector and local government areas in the country, the costs of government at the federal level are going ahead at a rate three to five times the normal increase in productivity of the country. In the light of these circumstances, I think the minister should give the committee a detailed explanation of the necessity for this tremendous growth in the administrative costs of the department.

The Acting Chairman (Mr. Dubé): Shall vote No. 1 carry?

Mr. Harkness: No, Mr. Chairman, we have posed a considerable number of questions to the minister which I believe he should answer before the vote carries.

• (3:50 p.m.)

Mr. Drury: The first problem relates to the increase in the number of personnel, and this question was raised by both the hon. member for Calgary North and the hon. member for Red Deer. As the hon. member for Calgary North assumed, the largest part of this increase relates to the establishment of the new operation which I described, namely, the establishment of a new Canadian government supply service involving both purchasing and also warehousing and distribution of supplies for government departments other than the Department of National Defence, which of course will continue to perform its own warehousing and distribution functions. Part of the increase in salaries is accounted for by the increased levels of salaries which have been accorded to the whole of the government service. I do not think I need discuss this particular aspect at all.

The hon. member for Red Deer made some mention of the fact that there seemed to be a number of senior positions involved. I should explain to him that what we are endeavouring to establish here is a very efficient and large supply service, including warehousing, which calls for skilled managers who are familiar with the most recent techniques and have had training in such techniques in warehousing and distribution. The result of having both a consolidated service and skilful people engaged in operating it will, I hope, be that the occasions on which the government finds itself with overstocking or being left with obsolete or obsolescent stocks on its hands will decline quite materially. In my view it is well worth the investment of getting good people to manage this operation in order to achieve the savings that will follow.

The hon. member for Calgary North wanted to know which government departments and agencies have been taken over. I mentioned that there were some 16. Starting in March, 1964 and running through January, 1967. I had reference to the Civil Defence College; public printing and stationery; public works in Ottawa, Toronto and Montreal; the former department of northern affairs and national resources in relation to the western Arctic and Mackenzie regions only; the department of citizenship and immigration; the R.C.M.P. in respect of vehicles; national flags, all departments; the Department of National Health and Welfare in respect of prosthetic devices or services; the Department of Veterans Affairs; the Secretary of State so far as museums are concerned, northern affairs and national resources, national parks and historic sites; Secretary of State, national gallery and civil service commission; the remainder of the Department of National Health and Welfare in July of last year; the Secretary of State, public archives and national library; the Secretary of State, chief electoral officer, last December; and the Department of Trade and Commerce in its entirety in January of this year.

I think I mentioned in my opening remarks that during the course of this year we hope to take over in their entirety the responsibilities for purchasing and supply for the Department of Fisheries, the Department of National Revenue, the balance of the Department of Public Works, the balance of the Department of Transport, and Indian affairs and northern development. I am advised that this represents an assumption to date of responsibility for purchasing and supply of materials and

services to the value of some $65 million per year.

There still remain to be taken over—I hope the hon. member for Calgary North will not want me to enumerate them—purchasing and supply representing an additional $100 million per year. This gives the order of magnitude of what has been assumed and what still remains to be done. This is a five year program, of which three years still remain to be achieved.

Mr. Harkness: Mr. Chairman, may I at this stage ask the minister whether the plan is to take over purchasing for all departments and to have it completed by the end of the five year period, or will certain departments or parts of certain departments continue to do their own purchasing and let their own contracts? I am thinking particularly of the P.F.R.A. organization in the Department of Agriculture, which I think is in a much better position to let contracts for the dams and other things it builds than would be the Department of Defence Production.

This is a specialized type of business, and the only people fully qualified to conduct it in any government department, so far as I am aware, are those in the P.F.R.A. organization. I would hope there might be some exceptions made in respect of organizations of this kind which have specialized knowledge regarding the letting of contracts for the type of business and activities that they carry on. For this department to take over these functions from them would, I think, be wasteful, expensive and would not produce as good results.

Mr. Drury: Mr. Chairman, I can assure the hon. member that the object of this particular operation is to establish a more efficient, less wasteful and more productive result. If the effect of taking over P.F.R.A. would be to produce the result indicated by the hon. gentleman, we should not, would not and will not do it. The purpose of trying this consolidation is to achieve economies. It is not intended to assume purchasing and supply responsibility for either specialized materials or services which are not common to more than one department and which the current department holding this responsibility can probably do more efficiently than a centralized service. We are proceeding with the departments having the greatest volume of common materials and services, leaving the rather more unique ones until later. No final decision has been taken on what will eventually be included in the over-all plan and what will be left to continue operation as the hon. gentleman suggests.

[Mr. Drury.]

Mr. Harkness: I have another question specifically on this point. Has the Department of Defence Production now taken over the purchase of automobiles and other automotive equipment for all departments or are there some departments who still purchase their own? I noted the minister said that the purchase of vehicles for the R.C.M.P. had been taken over. Are these vehicles now purchased on a wholesale basis more or less directly from the manufacturers, which has been the case for a number of years so far as the Department of National Defence is concerned, or are they being purchased locally, as has been the case heretofore with most of the other departments.

Mr. Drury: In respect of the departments having the largest fleets of motor vehicles, we have now proceeded to take these over. There are still some departments that have requirements for and purchase relatively few vehicles which have not yet been taken over.

• (4:00 p.m.)

Mr. Thompson: I have two further questions for the minister. Having regard again to the question of the increase in personnel, I can well understand the increase at the level of executive, scientific and professional people, but with regard to the second section under administrative and foreign service, will the minister explain to the committee what is meant by foreign service personnel so far as his department is concerned? Let me also direct his attention to the fact that the greatest increase in personnel has occurred in this particular branch. Not only is there a net increase this year of 163 but the breakdown shows that 830 of the personnel shown on this year's establishment earn over $10,000 per year, that is, from $10,000 to $18,000, and only 313 earn under $10,000. Will the minister explain to the committee why this particular set-up is as it is and why there has been such an increase at the senior level of this department?

Mr. Drury: Mr. Chairman, in respect of the first question let me say that the category of administrative and foreign service is a general classification in the public service. It is a fact that we have abroad some officers of the government supply service who are charged with purchasing and supply in cities outside Canada, notably Washington, Bonn, Paris and Rome, to cite a few. They are classified as

officers entitled to draw foreign service allowances just as those in the general category of administrative and foreign service officers.

Having regard to the second question about the proportion of senior people compared with those at lower salaries, it would be a little difficult to justify this in the house without going into a detailed examination of the duties and responsibilities of each individual concerned. I think the hon. member for Red Deer is probably aware that establishments proposed by government departments are submitted to a group under the supervision of the Treasury Board which does this for all departments of government service. It is this group's responsibility to examine in great detail the proposals for establishment put forward by each and every department to make sure they are on a comparable basis and that the numbers and rank of the people called for are required.

I can assure the hon. gentleman that this has in fact been done in relation to the establishment outlined here. I did indicate that I thought it was important in terms of cost efficiency to be prepared to engage the services of people having a considerable degree of training and skill in the techniques of purchasing, warehousing, accounting and distribution. In the long run an investment of this character will more than pay off in savings as a result of avoiding mistakes in inventory and in purchasing, as well as through efficient transportation arrangements with regard to freight and other transportation costs.

Mr. Thompson: Perhaps I could ask a related question. In the minister's opinion, does the taking over by his department of the purchasing responsibilities of 16 government departments mean that there has been a corresponding decrease in the staff of those other departments?

Mr. Drury: There has not been a corresponding decrease as yet. In order to take over both the purchasing and warehousing of supplies it is necessary to set up a coherent establishment which can function on an integrated or as a whole basis. This means that in the initial stages there will be more people engaged in the total operation than at the beginning or, indeed, at the end. There is a period of overlap.

Perhaps I should point out also that in some instances there will be individuals in government departments currently performing a dual function, one administrative and the other purchasing, or half purchasing and half administrative. One half of that responsibility will remain in the department hither to doing the purchasing and the other will move. This cannot result in the transfer of one complete individual but it will mean a reshuffle in the whole department and a decrease in administrative personnel to correspond with the increase in supply services. The over-all manpower to be used under the consolidated system will be substantially less than the number presently required in individual departments for purchasing.

Mr. Barnett: Mr. Chairman, I wish to ask a question along the same lines. My question was partially answered by the minister in his reply to the question of the hon. member for Red Deer, although I must confess I could not quite follow the minister. I assume that at least in some departments there must have been people whose responsibility was primarily purchasing. In the consolidation of personnel which has taken place what shift of personnel has there been? What has happened to the people who were purchasing for the Department of Public Works, for example, when their services in that department became redundant? I expected the minister to say they had been drawing from the experience and talent of other departments in order to build up a purchasing function in his own department. From what he has just said to the hon. member for Red Deer that does not seem to have happened. I would expect some shift in the personnel concurrent with the development of this function in the minister's department. Can he add anything further to what he has already said on this point?

Mr. Drury: Mr. Chairman, that assumption by the hon. member is entirely correct. I was not talking in terms of bodies, so to speak, but rather establishment positions, to which I assume the hon. member for Red Deer addressed himself. When the purchasing function is transferred from a department to the Department of Defence Production there will be an increase in the number shown for the establishment of the Department of Defence Production. For instance, there might be an increase of eight, which would correspond to a reduction of eight or more if they were all full-time purchasing people shown in the establishment of the department from which the transfer is being made.

When one thinks in terms of people, obviously the Canadian government supply service is looking for people who are skilled and talented and any who are will be transferred from one department to the other. I think the

hon. member for Red Deer was addressing himself to these establishment figures. In most cases what has been just assumed, namely that bodies will be transferred from one department to the Department of Defence Production, is correct.

The hon. member for Calgary North was wondering about the Canadian Commercial Corporation which exists merely in name, and asked whether we should not abolish even the name. A couple of years ago when this question arose during one of our committee meetings I provided an explanation which I will be glad to repeat in brief form.

The Canadian Commercial Corporation acts for the most part as the agent in Canada for foreign governments. They would prefer to have as their agents in Canada a corporation rather than the government of Canada itself or a department of the government of Canada. This has been our experience. By keeping alive the name and the form of the Canadian Commercial Corporation it is possible to meet this desire without any additional cost to the people of Canada, and because it is a convenience I suggest it makes us more effective when it comes to selling. The corporation has no great staff, as once it had. The functions of contract letting and contract supervision are all discharged by the Department of Defence Production. The name of the corporation is used as party to a contract and immediately, in turn, the corporation enters into a back to back contract with the Department of Defence Production or the supply service as the case may be.

• (4:10 p.m.)

Mr. Harkness: Apparently the Canadian Commercial Corporation has become what might be called a convenient legal fiction which enables the department to operate with greater ease in its dealings with foreign countries. I take it that the amount of $2,058,000 which we are asked to vote for the administration and operation of this corporation is the estimated cost of the personnel in the Department of Defence Production who are engaged in these activities formerly carried on by the Canadian Commercial Corporation?

Mr. Drury: Yes. The entry arises out of a recommendation of the Auditor General that a careful record be kept by the Department of Defence Production of all the time spent by the officials in the department on Canadian Commercial Corporation work and that this should be charged against the corporation. The officials of the department are doing work which they would be doing anyhow, but this arrangement does enable the committee to get some idea, if you like, of the value of the effort that this corporation represents.

Mr. Harkness: Can the minister tell us what this work consists of at the present time? Is the corporation chiefly concerned with making contracts in connection with the NATO brigade and the air division in Europe—formerly it was with France and Germany—or is it chiefly concerned with contracts for the manufacture and supply of defence equipment purchased by countries abroad? I have in mind the projected purchase by the Netherlands government of the CF-5 aircraft.

Mr. Drury: It is principally in the latter category, namely, the placement of procurement orders in Canada from foreign governments or their agencies.

Mr. Harkness: Does it still carry on some work for the Canadian government in connection with contracts for the supply of goods and quarters for the NATO brigade and the air division?

Mr. Drury: The contracting for quarters for the NATO air division and the Canadian ground forces brigade is done by Defence Construction Limited. There may be some smaller contracts made in the name of the Canadian Commercial Corporation in Germany in respect of Canadian armed forces there, but the bulk of these contracts is handled through normal defence production channels.

The hon. member for Calgary North asked about delivery of the CF-5. I am advised that the first test aircraft will be delivered in November or December of this year. The production program remains on schedule and should be completed in mid-1969. The hon. member also asked about the Canadian content of these machines and he wanted this information in relation to the larger question, namely, how much of this work for which the taxpayers are putting up their money does, or perhaps should, remain in Canada. I hope he will bear in mind the production sharing agreement we have with the United States which provides that there shall be a rough balance maintained in procurement programs as between north and south. So in respect of any particular piece of equipment the significance of whether it is 100 per cent manufactured in Canada or largely manufactured outside Canada does not arise, certainly not in relation to the balance of payments.

It is true that content is significant in terms of maintaining basic manufacturing capabilities in Canada but the quantitative elements are of no great significance. On the other hand, the qualitative elements are significant, as I think the hon. member would agree. In respect of the CF-5 I am advised that the Canadian content will be about 60 per cent by value, the balance being United States content. This particular program happens to be in itself almost self-balancing. But even if it were not, I suggest that in terms of quantity it is not too significant whether it balances or not.

Mr. Harkness: I might point out, however, that it would become of undoubted significance if a considerable number of these planes were sold to other countries. The amount of Canadian content would then become very much more important than if it were only a case of defence production here balancing that of the United States, a concept to which I referred in general terms when I spoke earlier. To the extent that we sell any of this equipment to third countries, this becomes a much more significant matter from the point of view of foreign exchange.

Mr. Drury: I agree that it then becomes more significant. Clearly Canada does better when there is a high percentage of Canadian content in items which are sent to countries other than the United States. With respect to this production sharing agreement, the hon. gentleman wanted some figures on the progress made under the heading of trade in defence equipment. For all the details I would refer the hon. gentleman to the annual report of the Department of Defence Production for 1966. I will summarize the information here by telling him that, as at the end of the first quarter of 1967, under the joint procurement program between Canada and the United States, Canada had purchased from the United States some $1,384 million worth of goods and the United States had purchased from Canada, in the same categories and under the same head, $1,573 million worth of goods, a difference of roughly $200 million.

• (4:20 p.m.)

Unfortunately I do not have here cumulative totals for any particular period in respect of overseas trade in defence equipment, but in 1962 there was an excess of exports over imports of some $17 million. In 1963 the excess was some $36 million, in 1964 an excess of some $16 million, in 1965 also an excess of some $16 million, and in 1966 an excess of $48 million. Because there are no formal procurement sharing arrangements with overseas countries I do not know where to start to reach a cumulative total, but I would hope the hon. gentleman would agree that we are demonstrating some activity in this particular field.

The hon. member for Calgary North also asked about the *Bonaventure* and questioned whether the competitive approach to shipbuilding and ship repair really made any sense when, in the event, it was found that the total cost of repair, if not of new construction, vastly exceeded the amount of the competitive tender. The hon. gentleman has been in the business and understands the difference between a bid on known work and the additions that arise when a ship is in drydock, is opened up and the engineers have an opportunity to examine the interior mechanisms of the ship and make rather more accurate decisions as to the full nature of repairs and all work that has to be done which, of course, is quite impossible when the ship is in its closed or non-open condition.

In the case of the *Bonaventure* the contract was competed for under two headings. The first was a call for a firm price bid on the known, specified overhaul repair and modification work. Everything that could be specified and drafted in advance was particularized and firm price bids called on it.

On the best advice we could get from the Department of National Defence as to the likely volume in man hours of repair work, based on past experience and on what they had heard elsewhere and so on, an assumption was made, if I remember correctly in this case, that approximately 200,000 man hours might be required for the *Bonaventure*. The shipbuilding companies bidding on the repairing were invited to bid man hour and overhead rates on additional, unspecified work, assuming that this would be in the neighbourhood of 200,000 additional man hours. There was no guarantee that it would be exactly 200,000 man hours or that it would not be less or that it would not be more.

In relation to the additional overhaul work no one can know this until you get the ship open and look at it. We did this, and by analysing and combining the two, the firm price bid and the man hour rates and overhead rates on additional unspecified work, I think an opportunity was provided to the contractors to engage in real price competition. This was done. But what does tend to mislead people is that the firm price bid gets

projected into the public mind as the estimated cost of the overhaul when, in fact, it is merely the firm price bid for a part of the work, the major part but not the whole of it by any manner of means. This has resulted in a number of parliamentary questions and a whole series of answers.

To demonstrate what I have been saying, the Davie Shipbuilding company bid a price of $4.9 million for the firm price element. The Davie Company submitted the second lowest firm price bid and the lowest hourly rates, and since the contract was awarded there has been some $3 million worth of work arising from later examination of the ship and its equipment. Against a firm price bid of $4.9 million, unpriced work amounting to $3.2 million has already come up. To assume that one was going to incur a total cost for overhaul of the *Bonaventure* of $4.9 million would have been unrealistic. Indeed, provision was made in the estimates for a sum of $9.7 million for overhaul and repair of the *Bonaventure,* including government furnished equipment.

Mr. Harkness: What year's estimate was that?

Mr. Drury: This estimate was the one we were given just before going out to tender, which would be about a year ago.

Mr. Bell (Saint John-Albert): That was the revised one. That was the second estimate after the contract was awarded.

Mr. Drury: No. This was not the estimate after the contract was awarded. This was the estimate of the cost before we went to tender. When one discovers precisely what repair work has to be done another estimate is made, probably a series of them. As new work comes up, in effect another budget has to be prepared and only when the work is completed can one determine the final cost.

Mr. Harkness: Can the minister tell us the estimated final cost of refitting the *Bonaventure* and when it is now expected the refit will be completed?

Mr. Drury: The total cost of overhaul and refit, including the cost of government furnished new equipment, is now estimated to be $11,770,000, and our latest estimate of time for completion is September 1 of this year.

• (4:30 p.m.)

Mr. Pugh: The minister says that the total cost will be over $11 million. He also mentioned new equipment. Is this a new type of equipment or is it replacement equipment and how much of the total does it involve?

[Mr. Drury.]

Mr. Drury: The new equipment to which I have referred is not replacement equipment. It is new original equipment in a variety of fields such as communications, aircraft handling and I think fuel handling. It is all new equipment; it is not merely replacement of worn-out parts. In the estimate of $11.7 million the value of the new equipment would be something in the order of $2 million.

Mr. Bell (Saint John-Albert): Mr. Chairman, am I right in understanding that the $11.7 million to which the minister has referred includes the original tender for $4.9 million?

Mr. Drury: That is correct, Mr. Chairman.

Mr. Bell (Saint John-Albert): In his statement the minister referred to the contract awarded to the Saint John Shipbuilding Company for the twin naval ships. In our community we are interested in this and are pleased that the contract was awarded to our local yard. Has the minister any readily available information concerning the progress of this contract, when work may begin, how many men will be employed, when the naval overseers will move in, and so on?

Mr. Drury: Mr. Chairman, I am advised that work on these ships has already started. It is expected that the vessels will be delivered in June, 1969 and November, 1969.

Mr. Pugh: Mr. Chairman, I have a query in respect of the general production of arms in Canada which are sold outside Canada other than through the Department of Defence Production. Does the government have its finger in the pie in respect of all arms produced in Canada, aircraft and otherwise, sold outside the country? Do we have a measure of control in this regard and are such sales included in our balance of trade? Is any part of the production sold other than through the government taken into account in respect of our balance of trade with various countries with regard to defence production? I think the minister will understand what I am getting at. Does the government control all arms produced in Canada which are sold outside Canada? Does the government enter into the picture in respect of the sale of arms produced by private firms—when I use the term "arms" I am making a distinction between commercial and other production—for shipment out of the country?

Mr. Drury: The government does not enter into the picture in respect of all contracts either for the production or sale of arms in

Canada. There are some corporations in Canada which produce quite largely for the domestic market, particularly the sporting market, both arms and ammunition. These corporations also export. Exports of arms and ammunition are subject to the issue of export control permits. The inssuance of these permits is administered by the Department of Trade and Commerce. As a consequence I have no detailed knowledge concerning the volume of exports for which permits have been granted. I do know, however, that private firms are free not only to manufacture but also to export arms and ammunition from Canada.

Mr. Pugh: The minister used the term "sporting" and also mentioned arms and ammunition. The average person on the street speaks of arms and ammunition in the sporting sense. I should like to stick strictly to the matter of the production of war equipment. I am wondering whether or not the minister has complete control over that operation. Surely there must be some figures in the Department of Trade and Commerce in respect of arms—here I am using the term not in the sporting sense—produced in Canada and surely there must be some control by the minister's department. Is this taken into consideration in speaking of the balance between Canada and the United States in respect of defence production? Does the minister understand what I am getting at?

Mr. Drury: Mr. Chairman, I am not too sure what the hon. member is getting at but I will try to answer his question. The production of arms in Canada is not subject to government regulation. If the hon. member wished to manufacture a tank, for instance, for any purpose at all he would be at full liberty to do so. He could do it so far as I know without obtaining a permit from anyone. If, however, he wishes to export that tank from Canada he must secure a permit from the Department of Trade and Commerce. I am not sure whether the hon. gentleman was trying to suggest that in some way the Department of Defence Production should have control over all arms produced in Canada. I do feel that we have a fairly complete knowledge concerning the production of arms and components of military equipment in Canada, but as the federal government we do not have control over such production.

Mr. Herridge: This is a very interesting discussion—

Mr. Pugh: Mr. Chairman, perhaps the hon. member would permit me to follow up my point. The minister has said that they have a fairly complete knowledge of what goes on in respect of the production of arms. In cases where we do export privately—when I use the term "privately" I mean in the commercial sense where an export permit is obtained, for instance, for export to the United States—is this taken into account when in arriving at the balance of defence production between the two countries?

Mr. Drury: Mr. Chairman, when the Remington Arms Company in Canada, for example, which manufacturers a variety of sporting rifles, shotguns and so on, exports sporting equipment to users or purchasers in the United States, that does not enter into the figures I have quoted in answer to a question by the hon. member for Calgary North concerning the production sharing arrangement. In so far as armaments and military equipment exported from Canada to the United States for the account of the department of defence in the United States are concerned, these are included in the totals I have mentioned. Does that answer the question?

Mr. Pugh: I believe it does. Your department would have complete detailed knowledge concerning the production of all war equipment, whether it is produced through the Department of Defence Production or through a commercial firm, which is sold to the United States or to any other country. I quite agree with the minister that there cannot be any check in respect of the sporting arms aspect, nor do I see any necessity that this should be brought into the picture with reference to the general question of the balance. The minister is now saying, however, that all armaments produced in Canada, whether through the Department of Defence Production or by private commercial firms, which are sold outside the country—and we will again use the example of the United States—form part of the balance of defence production in each country. Is that correct?

• (4:40 p.m.)

Mr. Drury: That is correct, Mr. Chairman. I hope the hon. gentleman would not suggest that as a department we have detailed knowledge of every single transaction. Perhaps I should describe it a little better as statistical knowledge obtained from a variety of sources. There are some prime contractors in the United States for the production, say, of aircraft for the department of defence of that

country. These aircraft are made up of a very large number of systems and components of those systems. The prime contractor in the United States may well subcontract to a systems subcontractor for part of that aeroplane and he is turn may subcontract components to a Canadian firm for manufacture.

It is unlikely that my department would know of this, and they are not required to know it, unless the firm in question came to us and let us have that information. However, it would be known to the United States defence department, which receives a statistical analysis from the prime contractors of the United States content and source of all the components. The particular item which I mentioned would show up in the United States statistical lists as being sourced in Canada.

We would have, equally, from the Dominion Bureau of Statistics information which would disclose, without saying what firm it was or in respect of what contract, the export of a class of components which would fit into this category. By marrying these two sets of information periodically we achieve the figures I have given to the hon. member for Calgary North. But as I say, our control is statistical rather than in detail and physical.

Mr. Pugh: Mr. Chairman, I should like to follow that through. The minister pointed out that whatever might be the breakdown given by the prime contractor in the United States we can arrive at similar figures here through the Dominion Bureau of Statistics. This information is available in the United States, and obviously the information the minister's department receives is available to the Canadian government. I ask the minister: Do you regularly trade off this information as between governments so that the total can be taken into account?

Mr. Drury: Mr. Chairman, I am not sure what the hon. member means when he asks, "Do you regularly trade off the information". Every quarter there is a meeting between the Canadian group concerned with the statistical picture and the American group concerned, and they reconcile the figures. In an ideal system no doubt the figures would be exactly the same. There tend to be discrepancies, as there are on all these international accounts, and reconciliations have to be made. This is done quarterly either by a Canadian group going from Ottawa to Washington or an American group coming to Ottawa.

Mr. Pugh: I thank the minister. That is the information I wanted.

[Mr. Drury.]

Mr. Herridge: Mr. Chairman, I am very surprised to hear that the manufacture of arms and war materials does not come within the jurisdiction of one government department. I presume, from listening to the minister's replies to the questions asked by the hon. member for Okanagan Boundary, that we will have to defer our remarks on the question of the private production and sale of arms for the Minister of Trade and Commerce.

I wish to direct a question to the minister. I presume that the minister's department is responsible for the defence production agreement between Canada and the United States for the sale of $300 million worth of these materials a year. Has the minister's department been made aware of the fact that there is a good deal of concern among some people in Canada with respect to the terms of that agreement and its effect, in that they are opposed to the war in Viet Nam and are afraid that the Americans will either use some of this material in that war or it will be used to replace material produced in the United States which is sent directly by them to Viet Nam? Perhaps the minister would enlighten us in this respect. Are we tied by this agreement? Is it possible for the Canadian government, if it wishes, to terminate the agreement?

Mr. Drury: Mr. Chairman, one can answer that question very quickly. All agreements can be abrogated. But I would point out to the hon. gentleman that this agreement resulted from what I think was a very intelligent economic decision regarding defence production in Canada. Some years ago it was recognized that military weapons systems change and we must provide for such change. One must look at these as systems rather than individual weapons, because the day of the simple sabre, the simple lance and the single shot revolver is gone.

Mr. Herridge: I realize that.

Mr. Drury: One of the items—the hon. gentleman may find this difficult to believe—which accounts for quite a significant proportion of total military equipment expense is computers.

Mr. Herridge: If the minister says so, I have no hesitation in believing him.

Mr. Drury: This indicates the extent to which there is a commonality between military equipment and items of civilian use.

Virtually all the electronic controls, and they are becoming more and more widespread now, have both a civilian and a military application. In many cases, if not the whole system at least significant components are the same for both civil and military use. This means that defence production, which classically perhaps could be limited to a few arsenals producing specialized military equipment such as guns, tanks, certain electronic equipment and the like, was unique to the military, but it is no longer unique. Indeed, to furnish the equipment for a modern military force requires the output of virtually all our manufacturing concerns—I emphasize, all of them, particularly the more sophisticated—and requires the output of some manufacturing concerns which we do not have in Canada and which, because of the small domestic volume of Canadian demand, it would not make economic sense for us to have in Canada.

So the decision was taken to endeavour, where military weapons systems were concerned, to specialize in Canada in the production of either elements of systems or systems themselves in which we could have and could expect to have a proficiency and an efficiency to manufacture economically, not only for ourselves but also for export. In this way it was considered that we would have a large enough unit of the market, which means a large enough unit of production, that the process of the particular manufacturer would be economic in current industrial terms. If we are to specialize our production for a limited number of items for our own forces, we must import the balance of our needs.

• (4:50 p.m.)

This is the case because to produce within Canada the whole range of systems would beggar the country with uneconomic production. We would then not only have to import but also to export. Agreement was reached between the secretary of defence and myself that we would endeavour to maintain a rough balance between the two countries in relation to exports and imports. Indeed, no tariffs are charged on military equipment moving north or south. Military equipment for the department of defence entering the United States is free of the restrictions of the "Buy America" act, and Canadian contractors have the right to bid with United States contractors on a competitive basis but they must be competitive and economically efficient if they are going to succeed. In the reverse sense the same is true for items sought by the Canadian armed forces. They also are sought on a bid basis.

By integrating the whole of North American production in this way we have been able to achieve very substantial economies in respect of equipment for the armed forces of both countries. Indeed, in this particular field the production sharing agreement is somewhat akin to the automotive agreement with the United States. There is the same relief from both the invisible and the tangible barriers to trade. In philosophical terms the North American market is regarded as a single unit and production is for the whole of the North American market rather than for separate parts of it.

Mr. Lambert: Mr. Chairman, it had not been my intention to speak about the defence sharing agreement except with reference to the information that was given to the hon. member for Okanagan Boundary. I would say first of all that I find it rather difficult to believe that the officials of the minister's department are a mere passive organism in this regard. I think this belittles the efforts of the Air Industries Association of Canada which I am sure keeps the minister and his officials more than up to date regarding the activity or inactivity of the air industry. For years efforts have been made by the Department of Defence Production to maintain in one form or another a viable aircraft and related industries in Canada. Therefore to say merely that the department must rely on statistics which they cull from sundry anonymous reports of the Dominion Bureau of Statistics is as difficult, for me to believe as it must be for a good number of members in the house. I am sure that my colleague, the hon. member for Calgary North, does not believe it either.

I am sure I could name some officials in the minister's department who would have at their fingertips information on just how much defence sharing production is done by Canadian firms on behalf of prime contractors in the United States. I think, for instance, that it is one of the legitimate activities of the aircraft division of the minister's department to gather information regarding the degree of the utilization of the industry in Canada. Otherwise the minister's job of rationalizing the defence contracts coming from the Canadian government would be too difficult.

Perhaps this might be taken as a criticism that I might make of the minister's answer to my colleague, the hon. member for Okanagan

Boundary. I do not know what the hon. member for Kootenay West will say in this further regard. Sometimes he asks tongue-in-cheek questions. I am referring to the defence sharing agreement. From time to time we read editorials, often on behalf of organizations dealing primarily with Viet Nam, that Canada should immediately stop the export to the United States of anything that could be considered as war material destined for Viet Nam because the possible end use makes it unreasonable, unjust and frankly immoral in their eyes.

I believe it is dangerously naïve to think that defence production sharing can be considered in isolation and, in fact, that pure military policy can be considered in isolation from economic factors and an economic policy. After all, we do know that if under these circumstances Canada were brash enough and foolish enough to advise the United States government that the defence sharing agreement was at an end, it would be a long time after peace is settled in Viet Nam and elsewhere in the world before we could get another agreement with that country. Canada as a whole derives many benefits from these agreements, as does civilian industry. In addition, let us remember the oil agreements and other similar agreements we have with the United States which I think would come to a rather abrupt demise because if we see fit to abrogate unilaterally our defence sharing agreement it would not hurt anybody in the United States to abrogate the oil marketing agreement. After all, one has to travel on both sides of the street. I think the minister was right when he said that a number of other factors had to be taken into account and simply to say "cut it off, we will deal with Viet Nam and the end use of these materials in complete isolation" is incredibly naïve.

In saying this I do not want to imply that I like the situation in Viet Nam. No one does. As a matter of fact I think that those people who dislike war more than anybody else may well be those who have experienced it. On the other hand, we know that the United States is involved in a very difficult situation, and having embarked on a certain course it must do its best to see the situation through to whatever may be the best solution that can be devised by man. But men's motives are often devious and their solution may be far from satisfactory to all of the idealists in the world. I do not hear the same representations being made with regard to the unpleasant situation last week and its solution. It seems to me that the doves of Viet Nam were among the hawks

of the Middle East. However, this is an aside. It is difficult to rationalize the differing attitudes taken by the same people.

To come back to the point I was making, I think the minister could improve the answer he has given us. I think he could take us into his confidence and let us know just what is going on in the aircraft industry.

Mr. Davis: Mr. Chairman, I would like to say a few words about the rationalization of our shipbuilding industry and ask the minister a few questions. Personally I am all in favour of our shipbuilding industry becoming more competitve. Perhaps, as same people have said, we could do with fewer shipbuilding yards. Perhaps we could do with eight or nine yards instead of the 12 or 13 we have. I therefore go along with the government's present policy which is being followed by the Department of Industry of buying ships on behalf of the federal government on an entirely competitive basis and calling for national tenders.

About two years ago the minister announced a program of phasing out and away from the old practice of allocation. I believe that the allocation of very large contracts, sometimes running into tens of millions of dollars, to individual yards was an unfortunate practice. To get away from that, the decision was made first to bid on a regional basis and then increasingly to bid on a national basis. This is having a substantial effect on the yards on the west coast.

• (5:00 p.m.)

Mr. Lambert: May I ask the hon. member a question?

Mr. Davis: I listened with some interest to the hon. member and I shall be glad to elaborate if he can ask me some questions at the end of my speech.

On the west coast we have, of course, lost contracts, at least in the eyes of the management of the three yards there, that might otherwise have gone to our shipyards in Victoria and in the Vancouver area. The yards on the west coast have been and are being protected to some degree. There was a schedule for allocation of contracts prepared two years ago and I believe it was communicated in some detail to the industry. The schedule indicated that whereas the industry on the west coast had been sure of getting between 25 per cent and 30 per cent of all federal government work, the amount of government work it was assured of getting would decline. The figures ran something like this

and on a declining scale: 1965, 25 per cent; 1966, 24 per cent; 1967, 18 per cent; 1968, 16 per cent; 1969, 15 per cent; 1970, 10 per cent.

Now, this was to be the result of the specific allocation of work to regions by the federal government, and it indicates a declining amount for the yards on the west coast. They will have to compete amongst themselves for the assured percentage. This does not necessarily indicate the total amount of work these yards will get from the federal government because they are all free to bid on tenders called for on a national basis. So far the yards on the west coast have not been very successful in bidding on a national basis. They have come close to winning contracts for federal work and they have certainly been successful in the private, commercial area.

For instance, Yarrows in Victoria recently won two contracts totalling $4 million for fishing vessels for the Atlantic Sugar Refining Company which will operate on the Atlantic coast. There is, therefore, some hope that our yards on the west coast can be competitive not only in getting work in respect of vessels which will be used in the Pacific theatre but perhaps occasionally also in the Atlantic area as well.

As is certainly well known to most of us in British Columbia, our costs in the main are higher. Wage rates have varied but there has always been a substantial differential in wage rates between the yards in British Columbia and the yards on the St. Lawrence and in the maritimes. The differential has been about a dollar an hour. This differential seems to persist as the unions on both our coasts negotiate with management from time to time. There is also another item of cost which is essentially in the area of materials. Freight rates are against us, so to speak, and certainly freight costs on steel and components, machinery and equipment, are additional items of cost which result in higher bids from west coast yards than bids received from yards in the Quebec area.

I am concerned at this moment because of the situation which now exists in the largest single yard, Burrard Dry Dock, located in my own constituency. Within the last two weeks there has been a lay off of some 300 men and Burrard's work force has gone down from 800 to approximately 500. I am told that this lower level of employment will continue for some months. However, I know there is a large federal contract amounting to $9 million for a research vessel which has been won by that yard and that work is going to begin on it this fall.

So far as I can see from the program which I have been able to obtain both from the industry and from the department, there are very few substantial federal government contracts in prospect. This $9 million contract is one. It was allocated to the west coast region and it happens that the yard in my constituency won the contract in competition with two other yards on the west coast.

As I said at the outset, I am all for competition. I think that in modern circumstances, especially circumstances short of all-out war, perhaps we could do with fewer shipbuilding yards, at least big yards. A number of smaller ones are springing up on the west coast which are building log barges, tugs and other small craft. We could do without a dozen or 13 large yards and perhaps get by with eight or nine. From the taxpayers' point of view we must get value for our money and national competition for tenders on a national basis is certainly desirable. However, I should like to think that during the transition period, the period of adjustment from government allocation of contracts to individual yards to a situation in which there is all-out competition, the phasing out would be conducted over a period of time as, for example, is the case in the automobile industry. I would hope that the five-year phase-out from 1965 to 1970 which I outlined earlier could be stretched out, either that or several substantial contracts could be included in the declining period so that the letdown would be more even and the phasing out would permit a greater opportunity for readjustment.

In addition, I should like to think that the Department of Industry and the Department of Defence Production would take a very active part in helping the industry to adjust itself to these new and more competitive conditions. A task force, a sort of joint committee of government and industry, was set up about a year ago. I gather that its terms of reference, at least as I read them, were broad enough but I would plead with the minister that he make this task force more effective. In fact, it needs people in top positions from the government side, and they should take a real interest not only in the best practices and the most efficient processes and construction methods in this country but in other countries. This task force should communicate information to the management of the various yards across Canada and perhaps even publish a report at the end of its study or several interim reports.

Right after the war I was very much impressed with the teams of experts from the United Kingdom who went to the United States in particular and took back information which was published in respect of certain industries. This information helped those industries pull up their socks. We need a similar exercise in the shipbuilding industry in this country, which has had a limited market. I have no doubt a number of yards are inefficient by national standards, let alone international standards. We could certainly become more competitive in this way.

I should like to not only urge the minister to give a little more muscle to this working committee but also to let us know whether there is any possibility of us being able to sell ships on any scale to the United States. In other words, in the sum total of our defence production sharing arrangements with the United States is it possible that we, particularly in our lower wage rate areas, may eventually become more efficient and be able to sell ships to the government of the United States or, on a long-term competitive basis, to commercial interests in the United States as well? If this were the prospect, if we could at least hope to compete in the continental market as distinct from the limited Canadian market, I think our yards on the west coast would have a genuine opportunity of not only surviving but looking forward to a period of expansion.

Finally, I should like to point out that the harbour in Vancouver, if it is not already, will be the busiest harbour in Canada. A busy harbour requires a shipbuilding industry, at least a ship repairing industry. It needs modern drydock facilities that will handle some of the largest vessels afloat. It needs an active ship outfitting industry which can look after repair jobs as the occasion demands. I should like to ask the minister whether he has given any consideration to the viability of the port of Vancouver in terms of the allocation of government contracts as distinct from giving the taxpayer the best possible value for his dollar in respect of ship procurements for this country.

• (5:10 p.m.)

Mr. Lambert: In light of the hon. member's outright condemnation of the allocation program formerly carried out by the maritime commission, would the hon. member not agree that if it had not been for that allocation program there would be no shipbuilding industry on the Pacific coast today able to compete with some of the other yards?

[Mr. Davis.]

Mr. Davis: I am not at all sure of that. During the war years, for example, the need for ships was so great that work had to be allocated to the facilities which existed at the time. Work had to be allocated to the facilities on the west coast almost regardless of cost in order to produce an adequate supply of naval and support vessels.

However, surely after all these years our industry has matured to the point where it can be reasonably competitive. I note, for instance, that the provincial government of British Columbia is now buying competitively. It has just bought a ferry built on the east coast as distinct from buying a new one built in the yards in British Columbia. Speaking personally—and I think I am reflecting the views of many people using the ferries in British Columbia—I would prefer them to be low in cost as well as efficient. I do not believe that the allocation principle, while it might be justified in an emergency, can be applied over the long run because it leads to all sorts of other abuses.

Mr. Lambert: But does the hon. member still not believe that the 17-year period between 1948 and 1965 is supposed to be the period of potential extinction of the shipbuilding industry?

Mr. Davis: We have built a great many vessels of different types on the west coast. The biggest boom at the moment, one which is causing the incorporation of a number of new, relatively small shipbuilding yards, has resulted from building of log barges and various other vessels, including tugboats, which cannot be sailed through the Panama canal or across the ocean, for example. The situation is governed by the requirements peculiar to the area, and these vessels can be supplied by local yeards and supplied quite efficiently relative to prices quoted in other areas. We will have an industry. But I would plead with the minister for a substantial industry, one capable not only of building small vessels but also of building and repairing large vessels as well.

Mr. McCleave: Mr. Chairman, I have just a few comments and perhaps I can put them in the form of two questions to the minister because I have no wish to prolong the debate.

My first question is: Is consideration being given to the cost involved in settling officers and men and their families when tenders for refits are drawn up? Let me put this in practical terms by giving an example. When an aircraft carrier is sent up river for a refit a

large number of officers and men have to be settled for that particular period of time at a point not too far distant. I wonder whether consideration has been given to this factor in assessing the over-all cost of such an operation.

My second question is: Will it be government policy in building the four new warships for what was formerly the Royal Canadian Navy to choose one lead yard to build the first two vessels and to put out to tender to other yards the building of the other two vessels?

Mr. Drury: First of all, Mr. Chairman, in relation to the points made by the hon. member for Coast-Capilano may I say I am glad to hear that he approves of the revision of our ship construction policy. I think it has been successful both in reducing costs to the federal government and also in infusing a measure of pretty critical self-analysis among shipbuilding firms as well, perhaps in the form of a rather more planned approach in the future than has been the case in the past.

The hon. member also suggested that the period of rundown now set at five years might be extended to ease the problem of adjustment. This, in principle, has much to commend it, but I have yet to receive any concrete evidence that programs of adjustment are under way which would require a longer period to complete. I have every hope that the successes of the west coast yards in bidding on commercial work for ships which normally sail the Atlantic and their near successes to being the lowest bidder on government work will continue, and that far from enjoying merely the assured volume of work they will in fact gain a larger percentage.

The hon. member suggested that the department might take steps to make the task force that is looking into the problem of the shipbuilding industry and trying to produce solutions more effective. I suppose that any operation, task force or group can be made more effective, and it should be our continuous duty to take what steps we can take to make this task force more effective. Any suggestions about incorporating in their spectrum of consideration some knowledge of practices outside of Canada, if this is not already in hand, I agree should be implemented.

The hon. member asked about the possibility of exports of ships built in Canada to the United States. In this respect we face two barriers. One is the relative cost of ship construction in Canada. The other problem is United States maritime law which has rather restrictive rules about the ownership and origin of vessels flying the United States flag or under United States registry. As has been said, I think this is a barrier beyond our control, one which is much more difficult to overcome than merely being able to build more cheaply and competitively than some of the yards in the United States. However, this is clearly a matter that we should look into in regard to small vessels, if we can achieve expertise in building such vessels, for the United States department of defence which does not impose the same restrictions as those to which commercial ship owners are subject in respect of the origin of construction of vessels.

The hon. gentleman also asked whether the department, in devising a shipbuilding policy, had taken into account the necessity for the port of Vancouver to have economic viability. He suggested that part of such economic viability of the port would be adequate repair and overhaul facilities. If I recollect correctly, there is now on the west coast a large government-owned drydock, though it is not in Vancouver itself but fairly close, in Victoria. I understand this drydock will continue in operation, though this is a responsibility of a department other than my own. There seems every likelihood on the basis of the current outlook of there being within Vancouver harbour itself a substantial and viable ship repairing and, indeed, shipbuilding industry. Perhaps it would help to qualify Vancouver as an attractive port if it had the capacity to build the largest and most sophisticated ships in the world, but at the present time and as far as one can see in the future Vancouver does and likely will continue to enjoy a healthy shipbuilding industry. The hon. member well knows that it is our intention to attempt to make this industry even more healthy.

• (5:20 p.m.)

The hon. member for Halifax asked two questions which I neglected to note. In relation to the new destroyer escorts, as the hon. gentleman perhaps knows, there has been a call for tenders for the new vessels in batches of two or for a total of four. This type of tender call was arrived at following a great deal of consideration by the government and after discussion with the industry. We were faced with the choice of awarding the contracts on the basis of one ship per shipyard, four ships to one shipyard, or perhaps a lead yard for one ship, and a batch of three ships.

Faced with this difficulty the department engaged one of the leading firms of marine architects in the world, namely, Gibbs and Cox, to look at our problem and the shipbuilding industry in Canada. Gibbs and Cox recommended the two and two system as being the most economical for the taxpayers and the most reasonable from the point of view of the builder. The recommendation was accordingly followed.

Obviously the task of building the first ship in the lead yard is a more complicated and sophisticated assignment than the task of building the follow-up ships. With the assistance of Gibbs and Cox an assessment or evaluation of the major Canadian shipyards was made. Some were classified as competent, having all the necessary facilities to perform the function of a lead yard, while others were classified as having the capacity, the ability and the equipment of a follow-up yard. There were a limited number of invitations sought from different tenderers. These tenders have been received and are in the process of being evaluated. This is done in conjunction with the Department of National Defence. It is difficult, lengthy and time-consuming process and it will not be until the fall, with the present schedule, that the results of this analysis and comparison will be known.

Mr. McCleave: That answers the second question. My first question was whether consideration was being given to the costs involved in settling officers, men and their families when refitting of the aircraft carrier takes place some distance from its home base, in this case Halifax. To a lesser extent the same question might be asked in relation to other vessels which are moved to river yards at other places remote from Halifax.

Mr. Drury: In assessing competitive tenders for this type of work account is not taken of the cost, whatever it may be, to the Department of National Defence of finding temporary accommodation for men and officers who have to be looked after at the location where the ship is being repaired, for certain periods of time. However, as the tenders are being considered by the Department of Defence Production with the Department of National Defence it is reasonable to assume that before a decision regarding an award is made the direct costs in relation to personnel are considered. These costs are carried by the Department of National Defence, not by this department. If they are very much higher in one case than in another, such as to upset the price advantage shown in shipyard proposals, we would hear about them.

As I pointed out, the Department of National Defence has to pay the whole bill for permanent or temporary accommodation as well as its cost in relation to the D.D.P. contract, and this can be expected to be taken into account. This cost is not examined as such by the Department of Defence Production.

Mr. McCleave: All I can ask at this stage is that when the final costs are arrived at in respect of the *Bonaventure* the two departments will get together to see whether this was the wisest policy to have followed in this case.

Mr. Drury: I shall be glad to see that a review is made to determine whether this was the wisest policy.

Mr. Harkness: At the outset I asked the minister what proportion of the resources, human or otherwise, of his department was now devoted to defence production functions and what proportion to the new function of general purchasing agent for other departments of government. I also asked to what extent this department provides administrative support for the Department of Industry.

Mr. Drury: I did not answer that question. The division of work of a purchasing agent who is buying for the Department of National Defence and for a civil department has not been worked out. We do not know what the division is in respect of the effort required to purchase the same article on that basis, but the classical role of the Department of Defence Production is to purchase for the Department of National Defence. What the proportion of time spent in this regard is I do not know. I could give the hon. gentleman some figures about the total purchases on civil account as against the total purchases on military account. One could assume that this might represent a proportion of effort, although this may tend to be misleading because it does not take a million times as much effort to buy an aircraft as it does to buy a pair of socks.

• (5:30 p.m.)

Perhaps it would be helpful to give the numbers in each of the branches. Last year the Department of Defence Production contracted on behalf of the Department of National Defence for goods and services to the value of some $710 million and, as I mentioned earlier, on behalf of civil departments

in the amount of some $10 million. This gives the ratio of the work in connection with purchasing for civilian as opposed to military requirements. The warehousing and supply functions which we are in the process of establishing and taking over from other departments are being carried out for purposes unrelated to the requirements of the Department of National Defence. All this effort is entirely on the civilian side.

As to the numbers of people employed in connection with these various functions, in the finance branch there are 332 and in the purchasing service, including the purchase of transport, 1,185. The purchasing service includes both civilian and national defence functions. The operations branches include both project management for national defence and the international programs staff who are largely engaged in promoting the sales of the output of industry which the hon. member for Edmonton West mentioned. The number is up to 214. In the supply services branches, whose efforts are devoted to the civil side rather than to the military side, the number is 732. In the deputy minister's office, the office of the departmental secretary and the personnel branch, employees number 132. I am not sure whether this provides the hon. member with the information he is seeking.

I have to make a correction. When I said that in 1966-67 purchases on civil account amounted to $10 million I should have said $100 million.

Mr. Harkness: I do not think that reply is really related to the point I was trying to make. I was concerned about the extent to which this department has now become a civilian purchasing department rather than a defence production department with all that this involves. The minister indicated that the increase in the number of personnel employed by something like 12 per cent was made necessary by increased civilian purchasing functions. A comparison of the volume of contracts handled would indicate that there has not, in fact, been any saving made at all. The increase in staff would simply take care of the increase in the volume handled.

I am sure there are a large number of people now engaged in civil purchasing activities who were formerly engaged in similar work in the field of defence production. I was trying to determine the extent to which this department is becoming a general civil purchasing agency for all the other government departments rather than remaining primarily a defence purchasing and supply department. I understand the difficulty of trying to apportion these things. What I really wanted was a general answer along those lines, an indication of whether or not in the future this department will be primarily concerned with general purchasing on behalf of all government departments or whether it will be primarily concerned with defence purchases and so forth.

Mr. Barnett: I should like to raise one or two questions with the minister in respect of the awarding of small defence production contracts. I will say at once that my interest in this matter arises out of the discontent of some people in my constituency who operate under the name of Waikiki Holdings Limited. I have in my hand a telegram I received from this company under date of May 31 expressing dissatisfaction with the present situation. I may say that prior to that date they had been in touch with the minister and I had also made some inquiries of the department in an endeavour to straighten out this matter and obtain some information on it. However, from the tone of the telegram these efforts obviously did not work out. To illustrate my point I should probably put the text of the telegram before the committee. It reads as follows:

> As a local company contributing hundreds of thousands of dollars to the economy of the Comox Valley we strongly resent and protest the method of tendering, qualifying and awarding of the catering contract for H.M.C.S. *Quadra* 1967. We are in the food business and are absolutely capable of handling a catering contract such as H.M.C.S. *Quadra*. We requested the opportunity to bid on the contract. However, industrial sourcing section of D.D.P. did not have the courtesy to extend us an opportunity to even submit a tender and inferred we were not able to qualify. The contract was awarded to an outside catering company. We consider this attitude extremely biased as we have the financial resources and the manpower to handle much larger contracts than the one in question.

I am not asking the minister to go into details with regard to all the statements made in this telegram because I am sure he does not have all of them in front of him now. What does cause me concern, apart from the fact that naturally I would have liked this contract to go to a local firm, is the whole question of how smaller firms can go about getting into the picture as far as these smaller contracts are concerned.

If I understand the situation correctly, on the basis of information given to me by the minister's department a system of listing is in effect. I gather that once a firm qualifies and is listed it is then notified of all calls for tenders in the area of its interests. I believe

the minister told us that there are area offices engaged in the work of the department, including one in Vancouver. I think he referred to this earlier in his remarks when he spoke about the purchasing activities of the department. As I understand it, all applications for listing have to be dealt with centrally by the head office of the department.

• (5:40 p.m.)

From the discussions I had with the people involved in this matter, obviously this long-distance dealing was not very satisfactory from their point of view. They implied at least that because of this system there was a built-in advantage for the larger, perhaps national firms in dealing with Ottawa under what I might describe as this Dun and Bradstreet process of selection. I realize that selection is related to other matters in addition to the financial position of a company, but essentially this is how I understand the situation.

One of the questions in my mind is why, in respect of this type of contract, this process cannot be handled entirely between the firm and the department's regional office, at least where direct dealings are concerned? I may have it all wrong but my understanding is that there is no relation between the regional office and a firm in regard to the calling for tenders until the firm qualifies. As the minister will see from the telegram, there is a fair amount of dissatisfaction with this situation. The firm obviously feel that they are qualified to handle a contract of this size. The department's judgment may or may not agree with that view, but my main point in raising this matter on the estimates is to ask the minister to give us the true picture in regard to the listing process and notification of calls for tenders with respect to smaller contracts. Am I correct if I assume that the listing process is handled at headquarters? If so, has consideration been given to making more easily available the advice and guidance of the officers of the department to firms in an area such as this?

I was told that these people did inquire of Ottawa and that they were mailed some completely incomprehensible forms that had little relation to the catering business. The forms seemed to cover the whole field. It was as though they were being asked if they were qualified to tender on the destroyer escorts which my hon. friend from Halifax was speaking about a while ago. That may be putting it in an extreme way, but for my information and satisfaction could the minister give a clear picture of the situation regarding opportunities to bid on these contracts?

Mr. Drury: Mr. Chairman, I think I can safely say that anyone who is interested in tendering on government contracts may do so if he demonstrates his interest and is qualified. The question the hon. member for Comox-Alberni has been raising is with respect to the technique, the procedure for qualifying. In some cases in respect of smaller contracts the total volume is such that an elaborate process of qualifying tenderers would not be worth the cost. The savings or losses that might arise out of failure to adequately qualify tenderers would not be worth the effort put into a thorough examination.

In larger contracts the process of qualifying does produce dividends in both tangible and intangible form. The case to which the hon. gentleman has been referring relates to catering in British Columbia. If a contract is in excess of $10,000 a group of individuals visits the firm which is seeking to qualify and they make not only a statistical but also a physical examination. We have found that this can be done more economically from Ottawa in respect of the limited number of catering operations we have rather than trying to organize to do it locally. This is the reason why a decision on qualification was reported to the hon. member as emanating from Ottawa. I hope this answers that question.

The problem in the case of the firm in Comox is one of dissatisfaction with the high standards of qualification which have been set. I think the hon. member will agree that the higher the standards can be set and still achieve efficient price competition, the more effective will be the service to the government department or agency seeking the service and the lower the net cost will be to the taxpayer. I would hope the hon. member would support our efforts not only to raise the standards but to keep them as high as possible. But obviously this is going to produce cases of dissatisfaction on the part of those applying to operate with lower than the best standards and who consequently are not qualified by the department.

Mr. Barnett: In this instance I do not know who was awarded the contract but I have been informed that in previous years the contract was awarded to a catering firm with headquarters in Toronto. The firm then sent

one or two people to the area, recruited local help and carried on in that fashion.

I suppose one might argue that the people who came to the area might have managerial capacities that were not available locally, but I do not think it necessarily follows that it would be a more efficient and more economically run operation or that the standards would be higher than if the operation had been carried out by people with an interest in a local business who want to develop that business. I know that in part this is a question of how does one prove one can do a job until one has already done it. As I say, I do not ask the minister to make a decision as to the merits or demerits of this individual case. But I have had some opportunity of observing quite large corporate operations and I can say they are not always necessarily the most efficient. Anyone who has closely watched what goes on in a corporate operation where the ownership is divorced from the area of management is quite aware of the kind of waste and inefficiency that can often prevail.

• (5:50 p.m.)

The firm from whom I received the telegram is in the process of developing. It is argued that because of the existence of the nearby major armed forces base at Comox they are in a position to recruit very experienced ex-messing personnel who have worked at Comox and are available for this type of work. From what the minister tells me, I understand that the assessment of this situation would be difficult to make in Ottawa in the case of an operation of this size.

After all, the field of catering has many aspects which are outside the operations of the federal government or the Department of Defence Production. The department has considered, in order to achieve the necessary standards in relation to a contract such as the one for H.M.C.S. *Quadra*, that this kind of decision should not be made at the regional level. One hears many things which one can mentally compare without having a statistical basis for the comparison. I live in an area where much catering is done for logging camps. Generally they have a higher standard of catering than there is, reputedly, at any of the armed forces messes in Canada. From what I have heard over the years and from my experience in enjoying the bounty of the armed forces catering services I believe this is true. Is the minister really convinced that the present policy of having the making of these decisions centralized in Ottawa is beneficial and necessary?

Mr. Drury: In view of the remarks of the hon. gentleman I am not convinced and I shall be glad to have another look at the matter.

Mr. Pascoe: Mr. Chairman, I have a few brief questions which I should like to ask following the questions asked by the hon. member for Calgary North. As the minister is aware, of course, the department regularly issues a long list of contracts awarded for various purposes. It is very seldom that one sees the name of a Saskatchewan supplier on such lists. In the last list I received I believe there were contracts awarded to businesses in every province except the province of Saskatchewan. On many occasions I have been asked why the list does not include the names of Saskatchewan suppliers. Is there an established list of suppliers and how can a Saskatchewan firm get its name on that list? Further, are departmental contracts of any size publicized in all parts of Canada so that any supplier has an opportunity to make a bid?

Mr. Drury: Mr. Chairman, to answer the second question first I should like to say that an endeavour is made to publicize on a national scale all large prime contracts in an effort to attract the maximum amount of competitive tendering.

Mr. Pascoe: How are they publicized?

Mr. Drury: They are publicized in a variety of ways, the most effective of which probably is newspaper advertising. In respect of the list of suppliers, I might say that the hon. member will recognize that in terms of military equipment there certainly are relatively few suppliers in the province of Saskatchewan. One would not expect to find in the province of Saskatchewan very many suppliers of the type of equipment which would be included in the total of some $710 million worth of material and material ordered by the Department of National Defence. This has not been the form of economic development of the province of Saskatchewan to date. The province has prospered rather more through the production of cereals than it has either in manufacturing or in the production of other primary resources.

Within the past few years, however, there has been an increasing emphasis on the production of minerals, particularly potash and, as a consequence, fertilizer. As a result of these mining operations there is a growth in

ancillary manufacturing industries. Consequently one might expect more and more, as manufacturing industries grow in Saskatchewan, to see the quantum of successful bids for the kind of things which the Department of Defence Production acquires for the Department of National Defence increase in Saskatchewan.

Mr. Groos: Mr. Chairman, I see it is one minute before six o'clock and my remarks may take two minutes. I am interested in the way in which the government's policy of nation-wide competitive bidding with regard to ship-building contracts is actually working out in practice. It was my understanding that for the first time all government shipbuilding requirements would be ascertained for a considerable period of time in advance and that this information would be released to the industry so that for the first time they would be in a position to see ahead and bid closely on contracts when their yards need the work. Such a policy would result in an even flow of work for the yards. This would be good for the industry and would also bring about price savings for the country.

However, to give the west coast shipbuilding industry time to adjust it was decided that certain vessels would be allocated for competitive bidding among the west coast yards alone. In addition, all west coast yards were to be allowed to bid competitively on all government shipbuilding requirements. I would be interested in knowing how this is actually working out in practice. I should like to know whether the west coast yards are submitting bids on the majority of calls for nation-wide tendering and how close they are coming to winning these contracts. Are they winning any at all? Generally speaking, how is the program working out?

My concern in respect of the shipbuilding industry is that the west coast yards should not find themselves, as a result of the government's program, limited to simple types of shipbuilding such as barges, tugs and similar vessels. I am particularly concerned that on the west coast there should be the ability to build highly technical ships as exemplified by modern naval vessels such as destroyer escorts. I would not wish the west coast to lose out completely on the destroyer escort contracts which will be coming forward shortly.

• (6:00 p.m.)

The labour force required takes a long time to put together. We have the force there now and I would not like to see it dissipated if perchance we were to lose out on all four contracts which will shortly be open to competitive tender. Would the minister not agree it is desirable that on the west coast there should be such a capability and, if so, will he not look into the possibility of including in the group of ships that will be allocated for competitive bidding among the west coast yards one of the four projected destroyer escorts?

The Acting Chairman (Mr. Honey): Shall vote 1 carry?

Mr. Harkness: No, Mr. Chairman. It is six o'clock and I think we should go into private members' hour.

The Acting Chairman (Mr. Honey): Order. It being six o'clock, it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the following matters will be considered at the time of adjournment this evening: The hon. member for Vancouver-Kingsway (Mrs. MacInnis), National Defence —Vancouver—request for use of land for park purposes; the hon. member for Sherbrooke (Mr. Allard), Trade—request for restrictions on textile imports from Japan and other Asian countries; the hon. member for Halifax (Mr. McCleave), Judge's Pension—position of government re L. H. Landreville.

[*Translation*]

Mr. Rosaire Gendron (Rivière-du-Loup-Témiscouata): Mr. Speaker, may I ask leave to revert to routine proceedings, for the purpose of presenting a report dealing with the procedure of the standing committee on housing, urban development and public works?

[*English*]

Mr. Speaker: Has the hon. member leave to revert to motions for the purpose he has indicated?

Some hon. Members: Agreed.

[*Translation*]

HOUSING, URBAN DEVELOPMENT AND PUBLIC WORKS

First report of the standing committee on housing, urban development and public works—Mr. Gendron.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

[*English*]

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

PRIVATE BILLS

COMMERCIAL SOLIDS PIPE LINE COMPANY

The house resumed, from Thursday, June 1 consideration of the motion of Mr. Deachman (for Mr. Basford) for the second reading of Bill No. C-113, to incorporate Commercial Solids Pipe Line Company.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, when this bill was last under consideration I had just begun my comments when the hour for private members' business expired. As the house will recall, the bill was introduced by the hon. member for Vancouver Quadra (Mr. Deachman) on behalf of the hon. member for Vancouver-Burrard (Mr. Basford), who was absent from the house for good and sufficient reasons and I gather has not yet returned to the house.

The house will also recall that the hon. member for Edmonton West (Mr. Lambert) had commented on the bill just before I was given the floor. I had referred to the fact that one of the considerations involved in the introduction of such a bill is the experience we have had in this country in previous decades with the provision of transportation facilities by rail. I said that from the experience we have gained over the years it is clear that the financial difficulties and otherwise still remaining in the field of transportation were caused by the mistakes of the past.

We all agree that hindsight is easier than foresight, but when we consider a development such as that proposed in the bill we should keep in mind that background of experience and endeavour to approach these matters in that light. If possible, we should take action to ensure that we do not repeat the mistakes of the past. I believe this is particularly pertinent to the bill before us, which seeks to incorporate a company for the transmission by pipe line of goods in solid form.

This is a field which I think all hon. members recognize is rather closely related in its function to that which has heretofore been performed by the railways. It is therefore a field of operation which will come rather directly into competition with the railways. For this reason it enters very directly into the whole question of transportation economics in Canada which I submit is one of the most important considerations in our whole internal policy because of the vast distances so often referred to in the house as being one of the principal features of our country, and our relatively small population. Also often referred to is the fact that so much of our economic life and activity and our prosperity or otherwise is based upon our ability to put into international markets many of the commodities we are able to produce in large quantities.

With that sort of background in mind we have to consider this bill and what is implied by its terms as they have been put before us by the hon. member for Vancouver Quadra. No one can deny that the proposed powers of operation to be given to this company, if it is incorporated, are broad indeed. The company is seeking the right to build pipe lines inside or without the borders of the country and to operate a broad range of other works or undertakings, some of which are related only rather indirectly to what is stated as being the desire in incorporating a pipe line company. It is also proposed that the company be empowered to acquire processing facilities and to engage in teletype, telegraph and microwave or television communication systems, subject to the Radio Act, and so on.

The hon. member for Vancouver Quadra, however, when addressing the house outlined a proposal for the construction of a pipe line for a particular purpose which he said the sponsors of this company have in mind. In this connection he referred to a sulphur carrying pipe line with a 12-inch main line and feeder lines of smaller diameter which are to originate in the city of Calgary. After reaching the Shell plant at Waterton the line would enter the mountains—here I am making direct reference to the hon. member's statement—and proceed through the Crowsnest pass to the coast in the Vancouver area. He goes on to say that a preliminary survey has already been made and that one can assume the feasibility of transporting sulphur in the slurry form to which he referred has been investigated in some detail.

• (6:10 p.m.)

The question which immediately comes to my mind is that if this company had a specific plan to construct a 12-inch main line from a point near Calgary in the province of Alberta through various mountain ranges to the coast at or near the port of Vancouver, this would be a major project and our approach to it would be quite different. If the bill then received second reading in the house and went before a committee for study, the committee would have something into which it could put its teeth. In such a case the committee could endeavour to make a rational examination of the project on the basis of its feasibility, the existing state of technical knowledge of the best method of transferring sulphur in this form, and the impact which the proposed pipe line system, whereby sulphur would be transferred from the gas fields of Alberta to a seaport outlet, would have on the existing railway lines and their potential capacity to transport the product in modern bunker cars.

I think all of us recognize the massive capital investment which has been made in our existing railway system. Certainly those of us from British Columbia are well aware of the high cost of engineering and construction of railway lines through that part of Canada, and all of us recognize it is quite an important consideration to the economic health of this country that the railways operate in a manner that is economically healthy. These are some of the factors which I think a committee of the house could intelligently weigh if the company had come before us with a definite proposal to construct a specific line.

However, this is not what we have in the bill. Although we can certainly accept without question the statement made by the sponsor of the bill that the company intends to undertake the project which he outlined in some detail, there is no such assurance contained in the bill. All we have here are broad, general provisions which will give this company the right to discard the proposal completely and to decide, for instance, that it will build a pipe line from Calgary to Hudson Bay and ship the sulphur to Hudson Bay for transmission through the port of Churchill.

We have listened to many discussions in the house concerning the virtue of building up the volume of shipping through the port of Churchill and the Hudson Bay route. Many of us, even though we may not come from that part of the country, recognize that this would be a very desirable development. But I submit it is not desirable for parliament to give a blank cheque to a company such as this one.

Members such as the hon. member for Vancouver Quadra and the sponsor of the bill, the hon. member for Vancouver-Burrard, who represent the main coastal seaport of Vancouver, should perhaps demonstrate a more direct concern by investigating whether or not the company's proposal will benefit the development of the port of Vancouver. What is proposed in this bill will certainly not achieve this. I have been present at committee meetings when the publicly owned railway company has had to come before parliament with a specific project before being allowed to extend their railway lines to any extent. The vice president of Canadian National Railways in charge of engineering and development has had to place before the committee full details concerning the economics of the specific section of railway line to be built. This is not the approach of this company. We are presented with vague, all-embracing clauses in the bill on the basis of which we have to make a decision. We can set up these companies by the dozen if we choose. Indeed, parliament has done so over a period of years. Then, as was said the other day in connection with another bill, we rely upon the National Energy Board, with its rather vague terms of reference, to make other necessary decisions.

I am not certain whether the pipe line proposed under the bill would be under the jurisdiction of the National Energy Board or of the new Canadian Transportation Commission. However, I feel that transportation facilities should be regarded as a public utility and that a much more desirable approach would be to develop at least the main arteries of our national transportation system as a public utility under public ownership and control. But even apart from that consideration I feel it is not a good policy, from any point of view that may be held in this parliament, to give blanket approval to the incorporation of companies which would empower them to do what is sought under the bill now before us. I think we should say to the sponsors of this bill: If the Shell Oil Company and the related interests associated with this bill have a specific need to move sulphur from point A to point B, and if you can demonstrate to parliament that this can be an efficient and economic operation, one that will not operate to the detriment of existing transportation facilities, then parliament might be prepared to consider your proposal on its merits.

• (6:20 p.m.)

I must say it is a bit surprising to me that so many members have been prepared for so many years to go along with this haphazard approach to the development of transmission of gas and oil by pipe line in this country. Now, when we are considering a new and revolutionary form of transportation, one which in some ways has more far reaching implications in the general field of transportation than did the construction of gas and oil pipe lines, we should take a good, hard look at the proposal. I submit that before we are prepared to entertain a specific proposal for the incorporation of a company to construct a pipe line for the transmission of solids we should have before us the results of a much broader study of this whole field than has heretofore been undertaken by parliament or the government of Canada.

The hon. member for Edmonton West referred to the fact that some research is being done in this field in Alberta under the auspices of the Alberta Research Council. As I recall, he stated that the research is related to the proposal placed before us. The hon. member may know more about the operations of the Alberta Research Council than I do but from the little bit of reading I have done about its work and from discussions I have had on one or two occasions with people in Alberta, the research undertaken by this council has been confined almost entirely to the possibility of transporting goods by pipe line in what is referred to as capsule form. However, the proposal put forward by the hon. member for Vancouver Quadra—

Mr. Speaker: I am sorry to interrupt the hon. member but I have to advise him his time has expired.

Mr. Barnett: If I may finish my sentence, I simply say that the proposal put forward by the hon. member for Vancouver Quadra is related to another form of transmission of solids, namely, in the form of slurry.

Mr. Frank Howard (Skeena): The bill before us, Mr. Speaker, is something in the nature of an iceberg in that one-tenth of it is on the surface and is obvious and nine tenths is unknown or is the subject of speculation. There are two aspects of the bill with which I should like to deal. The first concerns the venture into the bill of transportation by Commercial Solids Pipe Line Company and the change that this may bring about in the transportation industry as well as the economic effects that may flow therefrom. Then there is the matter of the ownership of the company itself. As we all know, the Pearson-Gordon duet on foreign ownership has been mentioned far and wide across the country. Reference has been made to foreign ownership on television by the President of the Privy Council (Mr. Gordon) in his capacity as an author, a royal commissioner and a cabinet minister. We have dealt with this aspect in the house on previous bills. It may sound a bit like repetition but I think it is such an important aspect in our consideration of this company and its ownership that it bears repetition.

The philosophy enunciated by the Prime Minister (Mr. Pearson) to a nation-wide television audience supported entirely the position taken by the President of the Privy Council over the years, and it applies directly to the bill before us. This philosophy, I understand, advocates the repatriation of the ownership of our industry. It may be it is not possible to bring about repatriation overnight because the consequences which might flow from such action could be rather terrible if we ran into the threatened retaliation which our so-called friends to the south are not adverse to using whenever it suits their purpose. I believe the government has recognized the necessity of phasing the return of ownership of Canadian industry to Canadian hands. I believe an indication of that recognition can be seen in the Mercantile Bank situation in that Mercantile was given a period of time to comply with the law. Just a few days ago the United Investment Life Insurance Company had read into *Hansard* by the sponsor of its bill a commitment that it would phase out foreign ownership of the company it was seeking to have incorporated within a period of ten years. Perhaps the thought that should be uppermost in our minds at the moment is how we can get Commercial Solids Pipe Line Company into the hands of Canadians.

It seems much more difficult to do here than it has been in the case of companies which are controlled in the United States. Whether or not our difficulties are greater or less when companies are owned in other countries is more than I can say at the moment. As a preface to my remarks I should like to read from *Hansard* for June 1, page 852, where the hon. member for Vancouver Quadra (Mr. Deachman) was dealing with the ownership of this company. He is reported as having said:

> 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 the 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.

Looking at the matter from that point, it appears as if Commercial Solids Pipe Line Company is going to be a Canadian owned company because 82.5 per cent of the shares are owned by a Canadian company and 17.5 per cent of the shares are in the hands of the general public. The hon. member for Vancouver Quadra went on to say:

Shell Investments is in turn wholly owned by a Netherlands company situated at the Hague and, finally, the ownership of the 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.

(6:30 p.m.)

I have not worked out the intricacies of this to see who owns what, but I think it is fairly clear that Commercial Solids Pipe Line Company is owned or will be owned by the Royal Dutch Petroleum Company and Shell Transport and Trading Company, one company at The Hague in the Netherlands and the other in London, England. Therefore I think this is a situation we should seek to alter.

If I recall correctly, Mr. Speaker, the oil industry in Canada in one form or another is owned 100 per cent by foreign companies. There was one Canadian company, called if I am not mistaken Canadian Oils, which held out but finally went under a few years ago, giving over our entire oil industry in Canada to the hands of foreign companies controlled by people who are not Canadian citizens, who do not even live in this country and who give political allegiances, if these transcend profit ones, to other nations. There are in any event companies who look at their Canadian interests after they have concerned themselves with their major investments in other parts of the world.

I should like to see a declaration made by someone within this lineage of corporate ownership related by the hon. member for Vancouver Quadra, and made before the standing committee, that it is the intention of the company to divest itself over a reasonable period of time of its foreign ownership aspects, so that this company would become in fact a Canadian owned company, and thus at least emotionally identified with Canadian interests in the first instance.

Presumably the whole objective of the company, at least as I read the speech of the hon. member for Vancouver Quadra, is to operate at some time in the future a solids pipe line within Canada. This does not exempt them from the prospect of exporting by solids pipe line, because other commodities are exported by pipe line; but I think it would be far better if this company were a Canadian company and recognized that the declaration of the Prime Minister (Mr. Pearson) carries some weight. I also think this parliament gave some expression to that declaration.

Perhaps this is a matter that could be dealt with in greater detail at the committee stage. I simply put the suggestion on the record now. At the appropriate time—perhaps at the committee stage so as to give the company fair warning in advance—I for one, and I know there are other members of the house of this view, should like to see the company come forward and declare that within a certain period of time, which I submit should not be an unreasonable one such as 50 years—ten years seems to be the period that has arbitrarily been decided on—the company will divest itself of its foreign ownership aspect and thus permit it truly to become a Canadian-owned company.

During the course of the last session, though it may have been during a private discussion on this bill, I gained the impression that the bill was introduced with the object of enabling the company to conduct research into the transmission of solids by pipe line. The sponsor of the bill relied on the fact that research is one of the activities of the company because he talked of the prospect of transmitting sulphur. As reported at page 852 of *Hansard* he said:

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 dependant 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.

At the commencement of the remarks of the sponsor of the bill, after he had got through marrying the hon. member for Vancouver-Burrard (Mr. Basford), in his first sentence related to the bill he said:

This bill deals with a company that wishes to operate a commercial solids pipe line.

Then as reported at page 852 he went on to deal with the cost aspect and the $50 million

that it is estimated sulphur transmission alone will cost, the manner in which this would be financed, and so on.

If this is to be a research venture, Mr. Speaker, then I do not see the necessity for incorporating the company. As the hon. member for Edmonton West (Mr. Lambert) pointed out in some detail, there are already a couple of solids pipe line research groups in existence, groups which have received public aid and in which there is a great deal of interest by Canadian National, Canadian Pacific and certain oil companies.

And well there might be interest by the Canadian National Railways in this aspect, Mr. Speaker, which gives me more concern than this particular company becoming a research operation. Because if we are now to embark, as I think we are, upon a project to replace the current transportation system with something of this kind, then we are likely to throw completely out of kilter the economy of a large part of this nation. For instance, the building of a line in my own constituency for the transmission of solids involving, for argument's sake, wood chips for a pulp mill may in itself be an economic move, but would cut into the financial and economic position of the Canadian National Railways Company and would undoubtedly injure and curtail its activities.

At the moment, Mr. Speaker, we are moving a tremendous amount of grain by railway. If research proves that it is feasible to move grain by pipe line, then this could practically destroy the Canadian National Railways and the Canadian Pacific Railway as far as freight carriage of that commodity is concerned. Once we do this and impinge upon their income prospects by removing from them some of the products they now carry, we cut into the prospects of either one of these companies operating on any sort of economic basis.

I could mention other commodities. For example the sponsor of the bill mentioned coal having been moved in slurry form. Potash comes to mind as a commodity for potential movement by pipe line. Many more commodities and materials might be added to this list of potential materials for movement by pipe lines, and I would not like to see us embark upon a program of giving a carte blanche right to a foreign company to build and operate a solids pipe line anywhere in Canada for the movement of materials in Canada or for export. This would cause a great deal of disruption to our public transportation systems and to our economy.

• (6:40 p.m.)

I am not opposed to change. In fact, I welcome change as well as anybody, but I like to see that change or alteration in our economic structure come about in such a way that dislocation is orderly, so that the working force which depends to such a great extent upon our current transportation method is not found out of existence and in the unemployment lines, simply to meet the convenience of Royal Dutch Petroleum or the Shell Investment Company, or for that matter whoever is behind this company. I do not want to see change or alteration come about in such a way as to pull the economic rug out from under any other communities in this country which depend to a great extent on our current transportation systems for their livelihood.

The research aspect of this whole proposal should be of concern to the public of Canada and this parliament. After all, this is the public's business with which we are dealing, rather than the affair of a few people named in clause 1 of the bill, or those who may become the shareholders or directors in the future. We have gone far beyond the stage when we could consider a bill such as this and its impact on our economy as a private matter to be dealt with only to meet the convenience of its promoters. This bill, perhaps more so than any other legislation placed before this parliament in some time, has an aura of public importance about it. It should perhaps be treated by parliament as a public bill, because its importance demands that parliament consider not only the foreign aspect of it but the public welfare, in light of the complete disruption that may result to many communities, workers and areas of our economy. If this is a gamble, and I am not so sure that it is, it should be considered seriously in that light. I suggest it is not as much of a gamble as one might think. The hon. member for Vancouver Quadra (Mr. Deachman) in his opening remarks pointed out that the confidence of this company could be measured by the amount it has spent and will spend in the next few years. I see that you are rising, Mr. Speaker, and I assume that my time has expired.

Mr. Speaker: The hon. member's time has expired.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, when this bill came before us on the last occasion we had an opportunity of discussing some of our objections with officials of the company. It was interesting to note

that they were in agreement in respect of one contention I had, namely that this was an exceptionally important bill which would have as great an effect on the transportation facilities in our country as a third transcontinental railroad. Anyone who considers the prospect of a third railroad across Canada must realize immediately how the construction of this line would affect the transportation facilities existing in this nation.

It has been agreed by a great many individuals with knowledge in this field that this should not only be of interest to members of the opposition but also to members of the government. When this bill goes to the committee there should be some indication on the part of government members and other opposition members that they realize the implications involved in the creation of a totally new company to move solids by pipe line. The other day when we were talking about rainmaking equipment, considerable interest was expressed about the technical feasibility. I am sure there are many members who have not really thought about this particular bill and are not aware of the fact that it is within the technical knowledge of many companies to move many types of commodities by pipe line. Many basic commodities in capsule forms can be moved through pipe lines. This would eliminate the need for large commodity handling facilities.

When discussing this proposal with officials of the company, it was pointed out that they were well aware that the sulphur they intended to move would have to be put into slurry form, and that after it was transported to its destination the sulphur would have to be taken out of the slurry vehicle. It was not known whether the same quantity of sulphur put in could be taken out at the destination point. The suggestion was made that certain types of oil could be used as the vehicle, because sulphur is found originally in that oil. They felt that perhaps the proportion of the sulphur in the slurry could be increased to 90 per cent, but there still would be some difficulty in removing that sulphur from the slurry and some uncertainty as to the type of facility required.

If I lived in the area of the transmission destination, for example in the Richmond area of Vancouver, I would be very skeptical about having that type of facility located there in order to take this sulphur from the slurry, particularly if it involved a method similar to that used for removing the sulphur from the oil in the refinery. The disagreeable smell which often exists in Ottawa, when the wind is blowing from Gatineau Pointe, I suggest is mild to what might be the smell at the terminal point of one of these solids pipe line. However, I suppose it is up to members who live in such an area to decide whether the location of the terminal there would be advantageous. Perhaps they are not interested in that aspect.

The fact is, Mr. Speaker, that it is technically easy to move these commodities by pipe line. I am sure that not only sulphur could be moved from sources in Saskatchewan, but also the potash that is produced there. This potash could be moved to markets on the west coast by putting it into slurry form, through the use of water or some other vehicle. In this manner it could be moved over the mountains to Vancouver at a rate cheaper than the railway companies are able to offer.

• (6:50 p.m.)

Every time I ride on the railway I am reminded of the lack of interest the railway companies show in my comfort and in the comfort of others travelling on the trains. I might therefore be expected to say that I have not much interest in railway affairs. However, if we look at the role the railways play in the movement of commodities we are bound to realize it is an important one and that there will probably always be commodities more suited to travel by rail than by pipe line.

An hon. Member: Including human beings.

Mr. Peters: Yes. I am not sure I am prepared to travel through the mountains in a capsule propelled through a pipe line. It might come to that in the future but I am not sure I am prepared for it. Bad as they may be, trains are preferable to capsule travel.

The problem facing the government is not a technical one. In Britain the movement of coal by pipe line has proved feasible, and technical difficulties in the way of the movement of sulphur and oil are in sight of solutions. As the use of these methods develops however it is likely that many basic commodities in this country could be moved quickly and economically by pipe line.

This competition would obviously have an adverse effect upon the position of the railroads; they might even be threatened with extinction. But if there were no railroads, what would happen in the case of those many commodities which it would still be necessary to move by rail? Suppose a decision was made to keep the railways going, in any case.

Would not the cost to the shipper and to the public be extremely high? With these things in mind, I believe the government must show some interest in pipe lines as a form of transportation. If the government would assure us that it was willing to carry out research to determine the end result of successful pipe line operations of the kind which are contemplated in the bill before us, then I think we would be prepared to send this measure to a committee where further discussion could take place.

The committee to which this bill would normally be sent is, in my submission, not competent to make a decision on the questions of principle I have raised. This is because it lacks the necessary information, the necessary research data. Then again, I believe many of its members would not be interested in reaching a decision in connection with the broader policy matters I have outlined.

I am aware that the transportation commissioners will have some control over this situation as a result of a section in the new act which brings solids pipe lines within their jurisdiction. But the examination of the relationship between pipe lines and the transportation system and other types of transportation in Canada cannot be undertaken by the committee, and will have to be undertaken by the government itself outside the committee. I am of the opinion that the government will have to reach a policy decision about the development of solids pipe lines. If the company wishes to do the necessary research into the feasibility of carrying certain commodities between specific points, this could be considered by the committee. But it seems to me that when we are confronted by an entirely new form of transportation the government itself should be interested in ascertaining what the end result will be before allowing a company to establish a monopoly in handling a particular commodity.

I do not think it would be difficult for the transport commissioners to arrive at equitable rates as between this form of transport and others under their jurisdiction. But this would not solve the broader problem to which I have referred. Many of the major products of the prairie provinces can now be moved by pipe line. Before too long it will probably be possible to move wheat by this method.

What would be the result? It might well be possible to transport grain more economically and at the same time to remove much of the dissatisfaction which has existed over the years in connection with the handling of this commodity at port terminals. Many of the bottlenecks which now occur in the railway yards of Vancouver could be removed. As I say, our main consideration should be the effect this would have on the operation of the railways. I agree with previous speakers that it is important there should be as much Canadian control over pipe line transportation as possible.

Mr. Speaker: Order. The hour appointed for the consideration of private members business having expired, the house will revert to the business which was interrupted at six o'clock.

SUPPLY

The house in committee of supply, Mr. Dubé in the chair.

The Acting Chairman (Mr. Dubé): Order. The house again in committee of supply. Estimates of the Department of Defence Production, vote No. 1. It being seven o'clock, the committee stands suspended until 8 p.m. pursuant to standing order.

At seven o'clock the committee took recess.

[*Translation*]

AFTER RECESS

The committee resumed at 8 p.m.

The Acting Chairman (Mr. Legault): House again in committee of supply, estimates of the Department of Defence Production, vote No. 1.

[*English*]

Mr. Harkness: Mr. Chairman, before the committee recessed I had asked the minister several questions which I thought he was about to answer, but he has not done so yet. The first was with regard to the extent which this department is providing support for the Department of Industry. What prompted me to inquire about this is an item on page 239 of the blue book in the estimates of the Department of Industry under the heading "Approximate value of major services not included in these estimates." The specific item is "Advisory and administrative services (Department of Defence Production), $1,150,000." Is this an accurate account of the amount of support, both administrative and otherwise, that this department provides for the Department of Industry?

Again this comes back to the point I made earlier. There is considerable doubt on the

part of most of us as to just what this department is doing and how it ties in with the Department of Industry; and when we look at the estimates of the two departments we wonder if we are getting a true picture of the amount of money going into each one. It is quite understandable that with the two departments being under the same minister and in certain fields pursuing to some extent somewhat similar functions, there should be a considerable amount of tie-in and overlapping. What has the minister to say in this regard?

Mr. Drury: Mr. Chairman, the division of support effort as between the Department of Industry and the Department of Defence Production, when to a large extent these two departments have common support staffs, is of necessity rather arbitrary. Whether the figure is precise or not, whether it is fair or not, is difficult to prove absolutely, one way or another. It is an estimate made by the two departments concerned and concurred in by the Treasury Board.

Perhaps some of this difficulty will be resolved in the not too distant future when, as a consequence of rearrangement of office accommodation in Ottawa, the two departments will become separate, each having its own administrative support services. It will then be quite clear what is the actual cost to each in respect of each. But for this year the services are common, the quarters are common, and I think the hon. gentleman would agree that any figure set down here, provided it reflects the total costs of the two departments, is necessarily a somewhat arbitrary division between the two departments.

Mr. Groos: Mr. Chairman, before the hon. member for Calgary North rose I thought the minister was about to answer the questions I asked him just before six o'clock.

Mr. Drury: Mr. Chairman, the hon. member who has just spoken asked me what general progress there had been in the matter of increasing the economic usefulness of the shipyards on the west coast as a consequence of the new program in respect of government shipbuilding activities which was initiated about two years ago. The answer in general terms is that I think this is proving reasonably successful.

It will be remembered that representations were made at that time that, because the then current costs of shipbuilding on the west coast were higher than elsewhere in Canada,

[Mr. Harkness.]

the translation of government procurement from a system of allocation by a government commission to one of full and free national price competition would not allow an appropriate or reasonable period for the west coast shipyards to rearrange themselves on a rather more competitive basis with what were reported to be lower costs in east coast and St. Lawrence river shipyards.

• (8:10 p.m.)

As a consequence, it was agreed that in respect of national competitive contracts there would be an allocation of a specific total tonnage year by year over a five year period as a minimum assured volume of business for the west coast yards regardless of national price competition. Because of the assured business, it was hoped that it would be easier for the west coast shipyards to adjust to a policy of full national competition. Over the course of the past two years we have observed, in respect of government shipbuilding contracts on the west coast as well as on the east coast and the St. Lawrence yards, that the west coast yards, although they have not been the lowest bidders, on occasion have been the second or third lowest bidder. This indicates an ability at least to operate in the same ball park.

In so far as non-government work is concerned, in respect of a national competition for fishing trawlers for a firm based in Halifax and in respect of ships to be used in the east coast fishing trade, a shipyard on the west coast turned out to be the lowest bidder. I hope therefore that west coast shipyards will become as effectively competitive as east coast shipyards.

The hon. member also asked me about the possibility of one of the new destroyer escorts being allocated to the west coast, regardless of price competition. He probably is not aware that we retained the services of one of the leading firms of naval architects to look at the ship construction industry in Canada. Our particular problem was to produce at the most reasonable cost to the taxpayer four new destroyer escorts. We asked them for their advice with regard to what would be the most satisfactory and advantageous way to put these out to price competition. Their recommendation, in the interest of the shipyards, of the user department and of the taxpayer, was that two ships should go to a yard qualified to do the work of lead yard operations, and that two ships should go to a yard qualified to do the follow-up work for the remaining two ships.

As a consequence, this spring invitations to tender were given to the yards judged to be qualified to do lead yard work. They were invited to tender on two ships, including the requirement for the first ship. The remaining yards were invited to tender on the two follow-up ships. It was the view of the consultants, a view which I must say my department shares, that any attempt to have a scheme whereby one lead ship was followed by three others in a package, or one ship each for four yards would result in a very considerable increase in total cost to the buyer of the four ships.

Mr. Groos: Mr. Chairman, I appreciate the minister's remarks and I thank him for his explanation. I was not aware of the division which had taken place to the effect that two ships were to be given to a lead yard which qualified, and that two others were to be given to a yard in a follow-up program. I should like to ask him whether any of the three west coast yards were considered to be among those which qualified for initial lead work or follow-up work. I ask the following question, because I have never heard this suggested before. I do not suppose he intends to suggest now that so far as qualifications are concerned the west coast yards are any worse off than any yards anywhere in Canada.

Mr. Drury: Mr. Chairman, I am guided largely by the advice of the consultants. One yard on the west coast is qualified as having the capability to do the lead yard work. The three major yards on the west coast have qualified for follow-up work.

Mr. Groos: Mr. Chairman, may I ask the minister one more question. Can he tell me whether, in accordance with the government's program, the work for the Department of Transport passes through his department and then goes to nation-wide competitive tender

Mr. Drury: Not yet, Mr. Chairman. It is my hope, when we are better organized to handle the volume of ship construction work in which the department is currently engaged, that the Department of Transport which now is doing its own ship procurement would transfer these activities to the Department of Defence Production.

Item agreed to.

5. Payments, subject to the approval of the treasury board, for capital assistance for the construction, acquisition, extension or improvement of capital equipment or works by private contractors engaged in defence contracts, by crown plants operated under lease or other management arrangement or by crown companies under the direction of the Minister of Defence Production, $200,000.

Mr. Harkness: I have one question, Mr. Chairman. I note that previously this vote provided for the following:

—plant modernization, and in connection with the establishment of production capacity and qualified sources—

I do not know what that means, but it has disappeared. Last year the amount in this vote was $8 million. Does this mean that the department has ceased to provide the funds to industry for these purposes, or is this just a temporary thing for which we might find something in the estimates for next year?

Mr. Drury: No, Mr. Chairman. This particular item now is carried by the Department of Industry. The item now appears at page 241 in the estimates of the Department of Industry. Vote 20 of the Department of Industry is the equivalent of vote 5 here. In fact vote 20 is limited to defence manufacturers. I was thinking of vote 5, at the top of the page, which is not limited to capital payments.

• (8:20 p.m.)

Mr. Harkness: Mr. Chairman, will this also apply to equipment? I notice that under vote 5 there is an item for equipment, whereas the vote in respect of capital assistance—that is, for modernization—to prospective manufacturers has been transferred to vote No. 20 of the Department of Industry. The equipment apparently still remains in the Department of Defence Production. Is it intended that this will also be transferred?

Mr. Drury: The item for the modernization of equipment in defence plants is continued under this vote and in a slightly higher amount than last year.

Item agreed to.

Emergency measures organization—

20. Administration and operation, $3,229,300.

Mr. Harkness: Mr. Chairman, I was wondering whether the minister would say something about the Emergency Measures Organization which is covered by this vote. There are a few remarks I should like to make on it. It seems to me that the Emergency Measures Organization is languishing; at least, I have seen and heard very little about it during the last year or two. It would appear that there is not very much energy or drive being put into the Emergency Measures Organization program. We used to have an annual meeting of dominion and provincial

representatives with regard to emergency measures matters. I have not heard of any of these meetings being held for some time. In fact, if my memory is correct, only one has been held in the last four years.

I found these extremely useful meetings. They did a great deal to maintain interest and to ensure that the same sort of measures and programs were being put into effect throughout Canada. I do not know whether this part of the program has been terminated. I do not know when the last of these meetings was held and when the next one is to be held. In the circumstances we would like these questions answered.

Also, Mr. Chairman, there used to be at least one annual exercise a year more or less on a national basis, as well as a number on a regional basis. I have heard of no exercises along these lines having taken place. There may have been some regional exercises carried out, and I hope this has been the case. I know there have been some in Alberta, at least on a regional basis if not on a provincial basis. I do not know whether there have been any others. It so happens that Alberta, which is the province I come from, has been more active and energetic than any other province in regard to the activities of the Emergency Measures Organization. I do not think there have been any national exercises carried out.

It seems to me that if the Emergency Measures Organization is to be kept in a reasonable degree of efficiency, exercises are essential in order to maintain their expertise in these various matters and to test their operational efficiency. Thus they would be in a position to make improvements in the whole Emergency Measures Organization set-up.

I also ask, what has happened as far as the warning system is concerned? This used to be carried on to a great extent by the army; nuclear detonation reporting centres were maintained by the army outside all the larger cities and other stations were maintained by provincial officials, and so forth. The army having withdrawn from this activity, I wonder what the state of efficiency is, as far as the warning system is concerned.

Equally important in this regard is the state of the communications set-up, which was also operated to a large extent by the army. Who is now operating the Emergency Measures Organization communications set-up, and is it geared to meet an emergency if one should occur? I know that in the last three or four years there has been a general feeling, not only in Canada but in other parts of the world, that there has been an easing of tensions between eastern and western blocs of nations, and perhaps, naturally, there was less interest in the Emergency Measures Organization and its functions generally than was the case a few years ago. However, Mr. Chairman, as long as the threat of nuclear attack exists—and I think everyone will admit that threat does still exist—I think it is essential for the protection of the population of Canada that an efficient Emergency Measures Organization be kept in operation. I have been more and more concerned that this is not being done and that this organization generally has been allowed to die, or at least languish. The various programs that were being actively carried on seem to be no longer in operation at all, or they are not being pursued very actively.

Another program about which to my knowledge we have heard absolutely nothing, in the last two or three years is the shelter program. The last time I heard about this program was when I asked the minister a question about it in the house two or three years ago. At that time, as I recall, he said that a survey of all public buildings, federal and provincial, which had previously been initiated was still being maintained and he expected it to be completed fairly soon. The minister said this survey would give us information with regard to what types of shelter and what degree of shelter existed. I have heard nothing of this program for some considerable time. I wonder what the situation is in this regard. I ask the minister whether the survey has been completed; and if it has been completed, what use is being made of the information being collected? This program was quite extensive and cost the Canadian taxpayer a considerable amount of money. I hope that some use is being made of the information secured by the survey.

I said, Mr. Chairman, that I intended to make only a few brief remarks. I hope the minister will be able to tell us what the situation is and what it has been during the last two or three years with regard to the Emergency Measures Organization.

Mr. Drury: Mr. Chairman, in the interests of trying to get this item through tonight, and the estimates of the National Research Council, I did not volunteer a statement on this subject. But if the committee is interested, and the hon. member for Calgary North has indicated such an interest, I will make a short statement on the Emergency Measures

Organization. I hasten to say that I welcome the opportunity to provide information on the activities of this very useful organization and I am glad the committee is desirous of hearing about it.

Civil emergency planning has been a program of the government of Canada since 1948. Under the authority of privy council order 1041-1965, emergency planning responsibilities have been assigned to various ministers of the crown. The Minister of Industry, through the Canada Emergency Measures Organization, is responsible for co-ordinating the national program.

Although the probability of nuclear war is remote, the government feels that one cannot simply dismiss its possibility. Consequently, in our view it is only prudent that we devote some attention to that unlikely possibility. It is also our view that the nature of such a war would be such that to make reasonable preparations requires the co-ordinated and co-operative efforts of all levels of government. As a result of the good relationships which exist between the federal and provincial governments in the general field of civil emergency planning, I feel that the capacity of the country to survive nuclear attack is increasing. This is an area of government in which substantial sums could be expended, but it is my belief that in the long run relatively modest appropriations on a continuing basis will achieve the desired level of preparedness.

Although the substantial part of the work of the Emergency Measures Organization is related directly to nuclear war conditions, greater attention is now being given to increasing the capacity of governments to deal with peacetime disasters. Mr. Chairman, hon. members will recall the co-operative work which was carried out last year by the federal and Manitoba emergency measures organizations at the time of floods in the Red river valley. In late April of this year, in British Columbia, the respective organizations commenced preparatory work to meet the potential flood situation in that province. Fortunately, serious flooding has not yet taken place and, with a proper assist from the weather, may not occur. Nevertheless the state of preparedness as developed by the co-ordinated efforts of municipal, provincial and federal agencies, is of a high order.

The three national objectives of civil emergency planning can be stated as follows: first, to protect and preserve life and property by adopting measures which will assist the civil population to survive the hazards of nuclear war; second, to maintain a structure of civil government so as to ensure that all important aspects of all levels of government could continue to provide leadership and to direct their essential services; third, to conserve resources by developing measures which will ensure that surviving resources of all kinds will be managed properly so that an orderly economic recovery could be effected.

• (8:30 p.m.)

The activities of the Canada Emergency Measures Organization as well as those of the several provincial and municipal emergency measures organizations, are directed toward the achievement of those objectives. I think a few brief comments would be appropriate on what has been achieved in each of these areas.

Then, with regard to measures to assist the population to survive, I would say that a warning system is operated by the Canadian forces which will provide warning to the public, should an attack on this continent be detected. This system is fully operational, and work continues to improve its capability. An emergency broadcasting plan, involving the use of all radio and television stations, is in existence and can be put into operation instantly. Therefore, we have the ability to broadcast advice and instructions to the public. Key transmitters in the system are protected against fallout and have standby power facilities.

A national survey of all large buildings in Canada is under way now using a new technique for quantitative measurements. The purpose of this survey is to determine what radiation fallout protection could be provided to the public by each building in an emergency. The survey is scheduled for completion next year. Information arising out of the results of the survey will permit us to advance our planning in this important area of protection.

During the past four years we have assisted the provinces in developing a capability to detect radiation fallout by issuing over 50,000 radiation detection instruments. This is a continuing activity.

Mr. Chairman, at this juncture, I should point out to hon. members that even if Canada were not attacked the resulting fallout from weapons detonated on purely United States targets could cause a substantial number of casualties in areas close to the United Stated-Canada border. This is the reason why we feel that the fallout protection

survey and the capability for detecting radiation fallout are so important.

The federal government, through its emergency medical stockpile program, has accumulated over $21 million worth of medical supplies and equipment at various locations in the country. All equipment and supplies are packaged into operational units, and arrangements are being made for the responsible provincial organizations to take charge of these supplies.

The Canadian forces, in addition to their responsibilities for warning, continue to develop their capability to direct and conduct rescue operations, should this prove to be necessary.

The public education program of Canada E.M.O. has been oriented toward having readily available a wide range of information so that should a demand arise, it would be able to respond to that demand. I do not believe that it is necessary, or even desirable, in the present state of international tension to keep vivid in the minds of the public the importance of survival preparations.

These are a few of many activities which are directed to the first national objective.

The second national objective, which is directed toward the maintenance of government under nuclear war conditions, also shows continuing progress. In addition to a complex of protected facilities outside the Ottawa area, there are in existence in six provinces protected headquarters from which components of the provincial and federal governments would operate. The remaining four provinces, Newfoundland, Prince Edward Island, New Brunswick and Saskatchewan, have interim facilities available. During the next four or five years it is our intention to develop longer term facilities for those provinces, as well as continuing to improve the emergency facilities already provided in the other provinces.

Below the provincial level, Canada E.M.O. has been working closely with their provincial counterparts to provide protected facilities from which municipal governments would be able to operate. I am told by the provinces that there are approximately 130 of these headquarters in existence and operational.

This network of emergency government headquarters, from federal down to municipal levels, is tied together by a comprehensive communications system.

[Mr. Drury.]

Much remains to be done in this general area, but as each year passes additional elements are added and improvements continue to take place.

In working toward our third national objective—the effective management of surviving resources—much of the work is carried out by the responsible federal department, co-ordinated as necessary by the Emergency Measures Organization. Emergency plans are in existence and are under constant review, to manage supplies of all kinds; to continue the productive capacity of our agricultural and fishing industries; and to operate the communications and transportation industries. Work is continuing in the areas of emergency manpower planning, control of accommodation and engineering, and construction resources.

Needless to say, although most of the work in these areas is under the direction of the federal government, the achievements to date would not have taken place had we not received the co-operation of the appropriate provincial departments, and of many hundreds of officials from business and industry.

Mr. Chairman, hon. members should note that seven or eight years ago very few of these measures or activities were in existence. Today they are. Many of them were started by the previous government. And this, I think, bears out the observation I made earlier, that is to say, that with relatively modest annual expenditures a great deal can be done to improve our nation's capability to survive.

At this point I would like to pay tribute to some 150,000 volunteers who, over the years, have contributed significantly to the organization at the local level. Additionally I would like to express the thanks of the government to many thousands of federal, provincial and municipal employees who have accepted the responsibility for emergency planning as a functional extension of their peacetime responsibilities. This is the key to effective civil emergency planning. This ensures that we do not duplicate our efforts and that we make the best use of our existing resources to build up an effective emergency preparedness program.

The true function of the Emergency Measures Organization, be it at the federal, provincial or municipal level, is to co-ordinate emergency planning and to assist existing departments of government in developing their existing capability to meet emergency situations. It has never been the intention of this government, nor of past governments, to have

the Emergency Measures Organization usurp or replace the functional responsibility of governments or their departments at the time of an emergency, be it in peacetime or during a war emergency.

Mr. Chairman, I would like now to deal briefly with the estimates of the Emergency Measures Organization. Your agreement is being sought for an appropriation of $10,659,500. This amount is approximately $400,000 less than last year's appropriation, and is the result of a more effective system of program planning.

Vote 20 covers the administration and operation of the Canada Emergency Measures Organization, which is comprised of a headquarters in Ottawa, ten regional offices, the Canadian Emergency Measures College and an office at NATO headquarters. The total authorized staff is modest, standing at 180 persons. In addition to covering the salaries of the staff, this vote provides for the continuation of the national fallout protection survey, various research and study projects, the operation of the college at Arnprior, and the public education program.

• (8:40 p.m.)

Vote 25 covers the expenditures to be made for rebuilding the Canadian Emergency Measures College at Arnprior, the construction of a regional headquarters in Prince Edward Island and pre-engineering work in New Brunswick, the continued development of zone emergency headquarters in the provinces, and the purchase of further radiation detection instruments.

Vote 30 provides for our financial assistance program to the provinces. This program underwrites up to 75 per cent of the expenditures made by the provinces and municipalities in the development of their emergency preparedness program I recommend to hon. members, Mr. Chairman, the favourable consideration of these Emergency Measures Organization programs.

Mr. Harkness: The minister has just read what was undoubtedly intended to be an encouraging outline of the situation, so far as the Emergency Measures Organization is concerned. However, on the basis of my own knowledge and on the basis of what he did not say, I do not believe there is any doubt that the Emergency Measures Organization is not nearly as effective at the present time as it was four years ago. To begin with, the minister said that the army had an efficient reporting system. I take it from this what he means is that the army is still manning the general communications system which would report nuclear contamination and fallout or the fall of an actual nuclear bomb anywhere in the country. I do not believe the minister will deny that the military nuclear detonation reporting centres, and so forth, have been washed out and taken out of operation. So far as I can see, all the military authorities will be able to do will be to man the communications. Who is going to actually report the presence of fallout to these people to begin with, or the fall of nuclear bombs, if the worst came to the worst, I do not know.

In any event, this essential part of the emergency measures set-up has now disappeared, and so far as I know there has been nothing comparable established to take its place, nothing that would be nearly as effective. The minister mentioned the six protected provincial headquarters which are in operation. However all of these six provincial headquarters were either under construction or had been completed four years ago. I take it therefore that in the intervening four years nothing has been done to provide the other four which the minister now mentions will be completed in the course of time. It would seem to me once more, as I said at the beginning, this whole program has not been pushed forward with anything like the drive or energy which characterized it some years ago.

The minister mentioned also the medical supplies which were stored. I understand that a certain portion of these medical supplies have been withdrawn and sent to Viet Nam and other places in the form of aid. I think some were sent to Chile a year or two ago. I wonder if the minister would have anything to say about that?

Mr. Drury: I do not believe I was making specific reference to the nuclear detonation reporting system when I spoke of a system of improved communications. It is a fact that in the past four years regional headquarters, which were not then operational, have become fully operational and equipped with an adequate system of communications, both between regional headquarters themselves and headquarters directly. We have also substantially improved our communications between four of the regional headquarters and their counterparts in the United States. This represents a step-up not only in cost but more importantly in the effectiveness of communication.

The system for reporting nuclear detonation has been reviewed and revised. The system with which the hon. member was no doubt familiar at an earlier period is now being replaced by a system of reporting from existing army stations or ground force stations in Canada, to be supplemented by aerial reconnaissance and aerial reporting. I am told that this, over the long run, is a more efficient approach than was the earlier system of a series of interconnected nuclear reporting stations.

In so far as medical supplies are concerned, there is of course the necessity of medical supplies held as an emergency reserve being turned over periodically, with greater frequency for some items than others. It would be reasonable to assume that out of the medical stockpile held for emergency purposes, the Department of National Health and Welfare would feed medical supplies which should be turned over to a variety of units of consumption, to be replaced with new stock. Although this hardly comes under the heading of rotation of stock, there was dispatched to Viet Nam a 200 bed hospital, complete. The beds obviously do not deteriorate in storage, nor perhaps do the mattresses, although some of the medical supplies would. These 200 bed hospitals from the emergency stockpile is being replaced in that stockpile by the Department of National Health and Welfare. I suggest that perhaps this is a very good use of our reserve stockpile, to be able to meet at short notice urgent demands as they occur.

Mr. Herridge: First of all, Mr. Chairman, I want to thank the minister for the answer he gave to the question I asked this afternoon. It was a very painstaking answer and was quite complete from my point of view. I do want to say this is the first time I have heard the minister responsible for the Emergency Measures Organization read a statement to the house that gave some indication of the policy and the purposes of the organization at the present time. I remember that when the organization was first established there was considerable enthusiasm. There was a great deal of organization at the national and local level. You will remember, Mr. Chairman, that there was a program to have a shelter in everyone's backyard in Canada. I know one firm in the west which was incorporated to supply these shelters, which people thought they required at the time. This firm has since gone bankrupt and the market did not last very long. There was this burst of enthusiasm, which could be understood because of conditions which existed at that time.

[Mr. Drury.]

Then there was a sort of apathy which crept in. I have talked to a great many men who have been interested in civil defence and the Emergency Measures Organization who gradually, through the years, lost their enthusiasm. It was for this reason I was glad to hear the minister read the statement he did, which gave an outline of the policy and purposes of the organization at the present time.

I want to ask one or two questions. First of all, what is the policy of the Emergency Measures Organization with respect to any peacetime disaster? In talking to people I have found they were more interested in an organization if it had a twin value, if it were a war measures organization and could be used in case of disaster in any particular district. Perhaps the minister would tell us what is being done in this direction.

• (8:50 p.m.)

Second, with respect to peacetime disasters, what co-operation is there with the armed forces to assist? We are all human, and at the present time there is in my district the fear that many communities may be flooded by the rising waters of the Columbia. At the moment these people are interested in the Emergency Measures Organization in so far as it will co-operate with the civilian population in meeting a particular and local problem in conjunction with the reserve army and other personnel. Can the minister explain in a little more detail the role that the Emergency Measures Organization can fulfil in meeting local peacetime disasters, whether floods, forest fires or other unforeseen disasters.

Would he also explain what form of agreement is reached with the provinces in respect to the administration of this organization within the provinces? I have noticed quite a diversity of approach on the part of various groups in this regard. Perhaps the minister could briefly outline the agreement with the provincial governments in respect to the administration of the Emergency Measures Organization. I understand that a grant is made to the provinces for this purpose, but what check is made by the federal authorities to see that the money that is granted to the provinces is spent efficiently and properly, for the purpose for which it is designed?

Another comment I wish to make is this. Although the minister mentioned public relations, the dissemination of information, and that sort of thing, I think things can be improved. This improvement depends on the locality in which the organization is based.

Some local papers are very good in this respect, and give news items about the organization's activities, or any particular local development,—what they are intending to do, and so on. On the other hand, in other areas the organization is almost overlooked.

I would suggest that the public is entitled to all the information it can get about the purposes of the organization in emergency situations, its function in peacetime and the contribution that it can make to the area in this regard. I find that a great many young men whose primary interest is in the purposes of the organization are also interested in working with the organization in order to meet any peacetime disasters or local emergencies which may arise. If the minister would deal with these points when he speaks later, I should be very pleased indeed.

Mr. Brand: Mr. Chairman, the minister mentioned a moment ago the turning over of hospital supplies, and I agree with his remarks. I think this is a very worth-while idea. He then went on to mention that one of these portable hospitals which had been made up by the Emergency Measures Organization staff had been sent to Viet Nam. This is probably one of the finest portable hospitals in the world and I think the staff deserve a lot of credit.

However, is the minister aware that in the December 1966 issue of the magazine put out by the external aid office in Ottawa on international developments it was pointed out that the Canadian government is sending ten of these pre-packaged hospitals to Viet Nam? According to this magazine they were to be shipped out at the rate of one per month, so since December I presume that six have been sent to Viet Nam, rather than just one. Only recently, I believe last month, the external aid office announced that it would be sending another ten of these 200 bed hospitals to Viet Nam which will operate under Dr. Alje Vennema who is in charge of the Canadian program of rehabilitation in Viet Nam. This would make a total of 20 hospitals.

As I say, I think this idea is very worth while. Since the minister seems to be sending these hospitals freely, and perhaps is not aware of it, I should like to make a pitch for a few of them, if I may. A few months ago in this house I suggested that it was time that some members of the medical profession took part actively and voluntarily in giving aid to foreign countries such as Viet Nam, and perhaps South America and the Caribbean the idea being based on the method now being used in the United States and presently carried on in Viet Nam by civilian doctors, who go there on a rotational basis spending 60 days in Viet Nam.

These doctors come from right across the United States and I believe that at the present time there are 34 surgeons and medical men operating in Viet Nam helping civilian casualties in that country. Their services are given purely voluntarily. Perhaps this fits in with the plea recently made by the director general of external aid before the external affairs committee the other day, when he said he would like to see some voluntary work instead of just money going into this type of external aid. This is exactly what I have proposed, Mr. Chairman, and I was presumptuous enough to suggest at the time that the minister be good enough to release a few more of these 200 bed pre-packaged hospitals for this purpose.

The minister pointed out, and I agree, that it would be a good idea to rotate pre-packaged stocks of drugs available in the country. It seems to me, however, we had better rotate them a little more, because according to Dr. Vennema there is a great shortage of medical supplies even in the Canadian facility in South Viet Nam. The amount of money spent by the Canadian government there at the present time is about $2 million, and although I understand that the Chile situation was a special one, perhaps we could keep in mind that the hospitals, supported by our government and our people in South Viet Nam might use some of these rotation supplies to help ease the critical shortage, particularly of drugs and bandages.

I should like the minister to give serious consideration to my proposal, which has already received a lot of favourable support among members of the medical profession who have expressed their willingness to operate such a venture. The Canadian Medical Association, though it feels that our medical resources are perhaps a bit thin to send too many supplies to Viet Nam, is looking with a great deal of interest at this proposal and has already met with members of the government concerning such a program in South America and the Caribbean. This type of hospital, which can be transported in one of our large aircraft or sent by ship, could easily be set up in any available area, and with this sort of Canadian ingenuity I think the staff of the organization certainly deserve credit for designing this type of hospital. They are ideal for these units. Volunteer doctors could go to

these areas to work as ancillary units to the medical facilities in the locality.

This proposal, Mr. Chairman, is not treading on the toes of the type of program that the government already has under way, which is more in the line of rehabilitation and training in Viet Nam under Dr. Vennema's care. However, it would mean that instead of bringing children who have been badly burned and badly maimed to Canada for care, as was once suggested, they could receive proper surgery and medical treatment from some of the skilled surgeons and medical men who are practising in Canada today. I would at least like to hear a faint word of encouragement from the minister for what I consider a very vital and important matter, one which I am sure can do a great deal toward improving Canada's image in the world today.

• (9:00 p.m.)

Mr. Drury: Perhaps I may respond to the questions asked by the hon. member for Kootenay West and also say a word or two about the representation made by the hon. member for Saskatoon. The hon. member for Kootenay West asked what the Emergency Measures Organization does in respect to peacetime disasters. I tried to indicate in my general remarks that the role of the Emergency Measures Organization was one of co-ordinating and planning. Provided the various agencies of government have prepared adequate plans to cope with emergencies, there is really nothing for the E.M.O. to do. Its job is to ensure that adequate plans and preparations are made by the various levels of government and agencies responsible for carrying out particular functions. It is not the object of the E.M.O. to usurp or replace emergency operations of governments or agencies in Canada.

Let us consider as an example a flood threat in the Columbia river valley. There is a provincial government agency whose task it is to report on the threat of superabundant water as a result of surveys, meteorological reports and so forth. It is the job of a provincial government department to ensure that road communications in the Columbia river valley are in good condition at all times, including times of flood. It is the job of another department of the government to ensure that there is an adequate supply of water and electricity for municipalities in ordinary times and during disasters.

The role of the Emergency Measures Organization is to keep after these government departments to make sure they have adequate plans and are making the necessary plans in the event that an anticipated disaster, in this case a flood, should occur. I am glad to say that the Emergency Measures Organization has met at the federal and provincial level and has received co-operation from all provincial governments and from the armed forces of Canada, which also have to make plans to cope with disasters which call for their assistance. They have such plans and are ready to implement them.

The initiative in seeking such assistance rests with the municipality which finds itself faced with a disaster with which it cannot deal. It then will call upon the province, and if the province finds it is faced with a disaster which is beyond its resources to cope with, it calls upon the federal government. Fortunately we are in the position to respond to such requests effectively and quickly.

The hon. gentleman also wondered how the Emergency Measures Organization was administered in the provinces. I think I gave a general indication of the role of this organization at the provincial level. Its role is to make plans to meet emergencies and to ensure that all agencies which would discharge these plans have in fact knowledge of the plans, have accepted them and made the necessary preparations. This is the role of the organization. It is not an executive agency but merely a planning and co-ordinating agency. That is the specific background.

Having regard to the representations of the hon. member for Saskatoon, I fully support the external aid programs of the government of Canada, although I am not responsible for their administration. In fact, they are quite irrelevant to the estimates we are discussing tonight. I wholeheartedly support the use, on a replacement basis, of our medical stockpile including the very efficient 200 bed dismantleable and transportable hospitals, and I think the designers deserve a great deal of credit. I am pleased to note that the learned doctor shares that view.

As the hon. member pointed out, there have been shipments made of some ten of these hospitals to South Viet Nam, and more are to follow. I will refer his representation regarding doctors volunteering and serving in South Viet Nam to my colleague, the Minister of National Health and Welfare, under whose province perhaps this more particularly falls.

I read *Hansard* in respect of the discussion which took place before the dinner recess and I may have misled the house. The hon. member for Moose Jaw-Lake Centre, following a

statement made by myself to the effect that we endeavour to publicize on a national scale all large prime contracts, asked how they are publicized. I said that they are publicized in a variety of ways, and indicated that the most effective way was probably by newspaper advertisements. I may have conveyed the impression that the government of Canada publicizes prime contracts through paid newspaper advertisements. That is not the case. We do not pay for such newspaper advertisements. Releases are made of the details of these contracts on both a regional and local basis for distribution to newspapers in the hopes they will publish the details and enable potential contractors to have knowledge of them.

Mr. Harkness: Mr. Chairman, in connection with the provision of our drug and mobile hospitals from our stockpile, either to Viet Nam or other places where they can be used, I should like to make it clear that I have no objection, provided the stocks are replaced. The minister previously said that one hospital had been sent. He now indicates that ten have been sent and more are to follow, but there is no provision in these estimates for the replacement of those hospitals or the stocks of drugs that have been provided. That is the point I made when I originally referred to this matter of mobile hospitals and drug stocks which have been piled for emergency measures use. It is fine to send them as part of our foreign aid, but as far as I can make out there has been no provision made for replacement, contrary to what the minister has said. There are no funds provided for their replacement.

Mr. Drury: Mr. Chairman, the initial cost of the drugs and these hospitals appeared in the estimates of the Department of National Health and Welfare, not in the estimates covering the Emergency Measures Organization, the estimates we are dealing with tonight. By the same token, the cost of replacing the hospitals and the drugs shipped to South Viet Nam would not appear in these estimates. Their replacement cost could be financed in one of two ways, either through an item in the estimates of the Department of National Health and Welfare, representing the cost of replacement, or by an item in the estimates of external aid covering the replacement cost. I am not sure which way this is being done or which way it is proposed to be done.

• (9:10 p.m.)

Mr. Harkness: Can the minister assure us that an item will appear in one place or another? I know there is no such item in the estimates of the Department of External Affairs, because we dealt with those estimates in committee last Thursday. I have not looked at the estimates for the Department of National Health and Welfare but I understood the minister to say there is no such item there. Can he assure us that there will be a supplementary estimate to cover the replacement of these supplies which have been shipped away?

Mr. Drury: I have been assured that these will be replaced, and as a consequence the appropriate financial provision will have to be made. I will check with my colleague the Minister of National Health and Welfare to find out how the replacement is to be financed.

Mr. Harkness: Is it to be done this year?

Mr. Drury: I am not sure as to the precise time table, whether the items shipped will be replaced in one fiscal year or not. Again, I will ask my colleague.

Mr. Harkness: I submit this is another example of a lackadaisical approach to the emergency measures program which has characterised this government during the last four years. These medical supplies and mobile hospitals were stockpiled for a specific purpose and are being used for another purpose. Apparently they have not been replaced, and the minister does not know whether they will be replaced this year, next year or, indeed, I suggest, at all. This is not good enough. If the necessity exists for this stockpile—and both this government and the previous government were of the opinion that it does—then it should be maintained until it can be shown that there is no longer a need for it. I do not think the minister is advancing that contention this evening.

Mr. Drury: Not at all.

Mr. Harkness: I would say the same with regard to the provision of protective headquarters for the provinces under a program which was projected four years ago. Nothing has been done since, except that the government has completed the six headquarters which were under construction—in fact, I believe one or two of those had been completed by the time they took office.

Once more, the whole matter has been soft-pedalled and very little more has been done about it. When I spoke earlier, I asked the minister what national exercises had been held to test the efficiency of the organization and ascertain any weaknesses. The minister has not answered that question. I do not think any such exercises have been held. I also asked him what had happened about the dominion-provincial conferences which used to be yearly events. I do not think more than one of these has been held during the last four years.

Mr. Drury: The most recent federal-provincial conference was in June of 1965 and the most recent national exercise was in October of 1966. The hon. member should appreciate that in respect of supplies the role of the Emergency Measures Organisation is one of planning and co-ordination. The responsibility, in departmental terms, for maintaining the stockpile rests with the department charged with the particular work. It is not, in jurisdictional terms, the task of the Emergency Measures Organization to procure or operate the stockpile; it is the responsibility of the department, and one assumes that when a senior and responsible department gives an assurance that the stockpile will be replaced, it will be done.

I do not think it is fair for the hon. member to suggest that nobody knows whether it will ever be replaced. This is to impugn, quite unfairly I think, the sense of responsibility of those in charge of a large and responsible government department. The hon. member says with respect to regional headquarters that one or two may have been completed four years ago and that since then nothing has been done except to complete two. This is something of a distortion. I did make reference to the provision of an adequate communications systems connecting these headquarters, something which, I may say, did not exist four years ago. The previous government may have had great plans for doing these things but in fact they were not carried out. Now they have been. Further, I indicated that this year a regional headquarters was being constructed in Prince Edward Island. It really is not satisfactory for the hon. member to say nothing has been done. Either I am wasting my time talking or he is trying to controvert what I say.

I think some hon. members feel that not sufficient publicity has been given during the last couple of years to the activities of the Emergency Measures Organization. I myself feel strongly that an endeavour to maintain at a high level interest in an organization whose functions in peacetime are relatively undramatic is doomed to failure, and that attempts to raise public interest in such an organization during peacetime will only result in a substantial let-down. We have had some examples of efforts to build up the activities of the Emergency Measures Organization to a pitch which could not be sustained, and I think it would be a mistake to repeat those errors.

Mr. Harkness: The minister is quite wrong in the statement he made that the emergency measures headquarters in the provinces did not have communications five years ago. Permanent headquarters were in the course of construction, but there were temporary headquarters in each of the provinces and they were provided with communications. At least one exercise on a national scale was held each year in addition to a number of regional exercises and these confirmed that the communications system was working satisfactorily. All that has happened since is that the communications apparatus has been moved from the temporary headquarters to the permanent headquarters. I am surprised that the minister should try to give an erroneous impression about what existed four years ago in comparison with what exists at the present time.

• (9:20 p.m.)

The minister talks about the Department of National Health and Welfare being a responsible department, and suggests that if this department makes it known that the medical supplies and mobile hospitals which have been sent abroad are to be replaced, we must accept it that this will be the case. I would like to ask the minister whether the cabinet committee on emergency measures still exists on which sit ministers representative of these various departments? When I was in charge of emergency measures this was the situation. When the cabinet committee came to a decision with regard to a matter of this kind, the provision of replacements for any equipment disposed of or sent overseas,—although I do not think such was actually done at that time—, that decision was recommended to the cabinet and, if approved, became a cabinet decision, and action was taken. I wonder if this system still exists, or is it up to each department to do as much as it wants with regard to emergency measures, or to do as little as it wants?

Mr. Drury: The hon. gentleman, as a privy councillor, would not expect me to indicate the actions taken by cabinet committees and by the cabinet. There are both departmental decisions and government decisions, and the decision to replace the hospital equipment shipped out of the country is a governmental decision. Perhaps the hon. member will not want me to go further than that.

Mr. Harkness: I was not asking the minister to tell me any cabinet decisions or anything else along that line. I was simply asking him if the cabinet committee on emergency measures, which was set up during the time we were in office, is still in operation. We announced the establishment of it, there was nothing secret about it. Is it still in operation?

Mr. Drury: Yes, Mr. Chairman.

Item agreed to.

The following items were agreed to:

25. Construction or acquisition of buildings, works, land and equipment, including authority to make recoverable advances not exceeding in the aggregate the amounts of the shares of the governments of the provinces of the costs of joint programs, $2,230,200.

30. Grants to provinces and municipalities for civil defence and related purposes and authority to make recoverable advances in accordance with terms and conditions approved by the treasury board, $5,200,000.

On item 40:

C—Crown companies—

Canadian Arsenals Limited—

40. Administration and operation, $1.

Mr. Hales: Mr. Chairman, could the minister explain the $1 estimate for Canadian Arsenals Limited?

Mr. Drury: Mr. Chairman, for a number of years Canadian Arsenals has been operating in a situation in which the revenues realized by the crown corporation were inadequate to cover its total expenses. As a consequence every year an appropriation has been made to cover this deficit. It is clearly understood that when deficits occur there will be an appropriation to cover them. We hope that in the current fiscal year the administration and operation of Canadian Arsenals will be in balance, that there will be neither a deficit nor a profit. This $1 item is merely to indicate that there is accepted a responsibility to meet the deficit of this particular crown corporation. The fact that the net cost of administration and operation has been reduced from $446,000 to $1 means that as a consequence of the reorganization of Canadian Arsenals we do not anticipate an operating deficit this year.

Mr. Hales: The minister is asking us to vote $1 as a blank cheque. We do not know what it is for, whether there will be a deficit of $1½ million or a profit of $1½ million. Could the minister give us some idea what the operation was in the last fiscal year? Did Canadian Arsenals end up with a deficit of $1 million?

Mr. Drury: Mr. Chairman, the cost as provided in the initial appropriation last year was $446,000 as shown in item 40 on page 66, and also on page 72 of the blue book. A supplementary estimate was required last year to increase this vote to cover the costs we incurred in respect of the closing down, through sale, of the Val Rose plant at Valcartier. The items involved were a profit of $232,000 in respect to the head office, in the Dominion Arsenals division at Val Rose a deficit of $184,000, in the small arms division at Long Branch a deficit of $1,163, and in the Valleyfield division a deficit of $670,000. This works out at a deficit of $623,000, which is represented by the item shown in the estimate at the beginning of the year and in a supplementary estimate.

In this case any sum in addition to the $1 provided in these estimates, required to cover a deficit greater than $1, will have to be sought from parliament by means of a supplementary estimate. This is not a blank cheque on which Canadian Arsenals can draw. All the moneys required for covering a deficit must be explicitly appropriated by parliament.

Mr. Hales: Would the minister give us some idea as to the policy of the department and the future operations of Canadian Arsenals Limited? I understand there are four plants in operation. Is it the intention to get rid of some more of them? So far as I am concerned it is a real white elephant and is a drain on the taxpayers' pocket. What is the policy of the department in this regard? Are we going to get rid of Canadian Arsenals or is it going to continue operating at a deficit?

Mr. Drury: The policy in relation to Canadian Arsenals is that if we can be successful in respect of armaments and ammunition manufacture in seeing established appropriate and adequate private enterprise capacity, then Canadian Arsenals will not be in that field.

In respect of operations concerning the manufacturing of small arms and ammunition and explosives, where we are unsuccessful in getting private enterprise to undertake this

on its own, Canadian Arsenals Limited will continue to provide facilities so that they will be available. We have been successful in interesting a commercial enterprise to take over the explosives plant which is outside of Montreal, at Valleyfield, and because along with this plant the corporation undertook the responsibility of maintaining the necessary capacity for the production of explosives should these be needed by the federal government, this no longer represents an operation of Canadian Arsenals.

Similarly, arrangements were made with an entrepreneur to take over the small arms ammunition plant at Valcartier. In return for taking it over he has given an engagement to maintain in that plant the necessary level of small arms ammunition manufacturing capacity sufficient to meet emergency needs of the government of Canada; so this no longer is at the charge of the government of Canada. There do remain two further operations, one at Long Branch in Toronto for the production of light automatic guns and small arms, and a shell filling division at St. Paul l'Ermite. We have not yet been successful in interesting private enterprise in taking over either of these operations. As a consequence Canadian Arsenals Limited will continue to operate them. I am glad to say, however, in so far as the operations of these two and the head office are concerned, that we have budgeted in such a way that it will not represent an operating deficit to the cost of the taxpayer.

• (9:30 p.m.)

Item agreed to.

45. Construction, improvements and equipment, $461,400.

Item agreed to.

Canadian commercial corporation—

50. Administration and operation, $2,058,000.

Mr. Lambert: Mr. Chairman, in respect of the Canadian Commercial Corporation the minister will recall that two years ago, when he appeared before the defence committee, there was rather an extensive discussion about this corporation. At that time there was, shall we say, an administrative change that was being made in the corporation. Could the minister outline to us briefly just what is the administrative set up in respect of the Canadian Commercial Corporation at the present time. Are the officers entirely persons who are members of another branch of the public service of Canada, and is there an actual president of this crown corporation? There was a president at that time. It is my information that this man has left the service. Could the minister give us more information in this regard and tell us whether this now is sort of an incorporated branch of the public service of Canada.

Mr. Drury: Mr. Chairman, the discussion to which the hon. gentleman referred took place in the committee some time ago. The Canadian Commercial Corporation now has a president and a board of directors, all of whom are officials of the public service of Canada. None of these persons receives any additional emolument as a result of being either the president or an officer of the corporation. The operation of the corporation is performed entirely by officials who already have been appointed to the public service in another capacity and who occupy another position in the establishment.

As was pointed out earlier, the department is required to keep a costed accounting of the services provided by these officials in the public service on behalf of the Canadian Commercial Corporation. This charge then is made by the Department of Defence Production on the corporation and the amount is then voted by parliament in an appropriation. This amount then in turn is used to offset expenses of the Department of Defence Production.

The president, who had no other duties in the public service other than president of the corporation, resigned in the fall of 1965. He has been replaced, as indicated, by a president who is an official in the public service and who receive no additional remuneration.

Mr. Lambert: All the officers of the corporation are persons who also are in the Department of Defence Production.

Mr. Drury: Yes.

Mr. Lambert: In other words, so far as this is concerned this is the incorporation of a branch of the public service and the legal entity, shall we say, is for commercial dealings. In this way, rather than dealing with the government, the persons who wish to deal with the Department of Defence Production are dealing with the Canadian Commercial Corporation, a legal entity which really is a branch of the public service of Canada.

Mr. Hales: Mr. Chairman, the Canadian Commercial Corporation I believe is another one of those white elephants which we could lead out to pasture and let the Department of Defence Production do the work it is doing in

any event. Apparently the Department of Defence Production is doing most of the work. An amount of $2 million is being charged for the services rendered. I should like to know what the income is from the Canadian Commercial Corporation. Then we might arrive at the net cost of operating the department. We are told nothing here. It says, "Details page 72". Then on that page we find the same thing. I should like to know what the net operating costs of this corporation are.

Mr. Drury: Well, Mr. Chairman, unfortunately the hon. member was not here a little earlier when it was pointed out that the Canadian Commercial Corporation, as the hon. member for Edmonton West has just indicated, is a legal entity, or perhaps more properly expressed, a legal fiction. It exists in name only. There are a number of foreign governments and agencies of foreign governments which are authorized to enter into contracts with other foreign corporations. They are not, however, authorized by their governments to enter into contracts with foreign governments.

This means for instance that the procurement service of the German army is under its statute allowed to enter into procurement contracts with foreign corporations, but if it should wish to enter into a contract with a foreign government it must proceed through the German foreign office, the Canadian foreign office and the Department of Defence Production. The process of procurement is vastly simplified if the German army procurement service is able to deal directly with the authorized entity in Canada and not have to proceed through the process on a formal government to government basis. This is the reason for the continued existence of the Canadian Commercial Corporation.

In practice what happens is that the foreign purchaser executes a contract with the Canadian Commercial Corporation. This is a contract between the crown corporation and the foreign purchaser. The same officials who have negotiated this contract immediately have the Department of Defence Production execute a contract in identical terms to the contract executed with the Canadian Commercial Corporation. They then proceed to act on that contract in terms of procurement, exactly as if it had been a contract entered into in the first place with the foreign government or agency.

This makes it easier for us to sell abroad the output of Canadian equipment manufacturers. Rather than being a white elephant, this is an institution which costs the taxpayers nothing, but which is very helpful in our promotion campaigns.

Mr. Hales: The minister has not yet answered my question. There must be certain tasks credited to this corporation and I suggest they would offset this amount of money which is being charged to the corporation. I should like to know the net operating cost of this corporation.

Mr. Drury: Mr. Chairman, in respect of the corporation there is some holdover of funds or deposits held by the corporation, the interest on which amount is something in the order of $100,000 a year. Apart from this, the income in terms of service charges or surcharges is purely nominal and really quite meaningless. If one were to abolish the corporation, presumably the interest on the income would be transferred to some other government account and the interest would continue to be earned there. There would disappear a revenue of an amount of some four thousand dollars a year assorted petty service charges. There would also disappear something in the order of $2,000 in the year for losses, or there would be a net difference of about $2,000 applied against what has been estimated as the total cost for the time and effort spent on the promotional work in respect of the Canadian Commercial Corporation, in the amount of $2 million.

• (9:40 p.m.)

Item agreed to.

The Acting Chairman (Mr. Honey): This concludes the estimates of the Department of Defence Production. The committee will now consider vote No. 1 of the National Research Council. This item may be found on page 364 of the blue book, and the details at page 365.

NATIONAL RESEARCH COUNCIL OF CANADA INCLUDING THE MEDICAL RESEARCH COUNCIL

1. Administration, operation and maintenance, $40,693,000.

Mr. Rynard: Mr. Chairman, I should like to make a few comments on this item. I notice that the gestures of the minister tell me to keep it short, but I think that anybody following what the minister has said in the house tonight will realize he has been keeping it long. I should first like to congratulate the minister on being head of the National Research Council, because I think it is one of the most important departments of the federal government. The progress of this country

will depend a great deal upon how the National Research Council is operated.

Employment and prosperity go hand in hand in a country, and they depend entirely upon the expansion of our manufacturers. I think if you look over the record of the last 10 years, Mr. Chairman, you will find that there has been a steady increase in employment in the manufacturing field. The manufacturing industries alone employ 1,500,000 people. Wages account for a large part of the nation's purchasing power. This illustrates the necessity of research and competitiveness in the manufacturing field if we hope to increase our sales and economic growth.

How are we doing this? The minister has followed in the paths of the previous government which made incentives available back in 1960. That government allowed not only write-offs against tax, but a write-off of 50 per cent in respect of new work that was undertaken. This government thought that program was so good that they replaced it with the Industrial Research and Development Act, which does the same thing but also allows a cash grant of 25 per cent where research has been undertaken. I congratulate the government for undertaking this program. I do not believe it is enough, but it is a step in the right direction.

We must admit that research in Canada has been very slow in developing. Perhaps the greatest research development in this country has been in the pulp and paper and chemical industries. I hope the minister will bear this fact in mind when considering tariffs in respect of the chemical industry, because this industry has done very well in Canada. The minister said he will have to protect some industries, and I hope this will be one of them.

The primary industries, in which we have for so long been engaged in Canada, require a minimum amount of research. A great deal of the raw materials and the semi-processed materials have been shipped out of this country to be processed in other countries and shipped back to us. The reason for this is obvious. We do not have the know-how to manufacture these articles and be competitive in so doing.

There is another factor to be considered in this respect. There are operating in Canada many subsidiary firms of American industries. I do not know whether people realize that most of the research in connection with these industries is carried out in the United States. The subsidiary firms operating in this country have paid for this research. I think we have to go one step further in pointing out how essential the research is. We have educated in this country many scientists who have crossed the border to the south. I was looking at the figures the other day and found that in 1964 over 4,000 professional and technical people crossed the border to the south. Many of them carried on research in the United States for the parent companies which have subsidiaries in Canada. It costs us upwards of $30,000 to educate each of these professional and technical people. When they work in research for the American parent company, the subsidiary operating in Canada pays part of the cost of that research. I would point out that the figures indicate that in respect of research over $300 million are spent by American subsidiaries operating in Canada.

We will always be hewers of wood and drawers of water unless we can stop this brain drain and carry out in Canada the necessary research to produce the goods to sell not only to Canadians but in the markets of the world. This is very essential, and this is why I say the minister is not spending enough on research. He is looking pretty grave at the moment, but according to the figures he gave in a speech he made in Paris, the amount spent on research should be 2 per cent or better of the gross national product. If you look at the figures of the amount of money spent on research in Canada today, you will see that $45 million is spent on science and engineering, and $20.5 million on medical research. If the minister wants to carry out an effective policy in this respect, let him implement the recommendations of the Gundy report, which asked that $56 million be spent on medical research. The minister is allowing only $20.5 million.

In respect of research in business and industry there is an item for $5,700,000. We are spending one tenth per capita of the amount the United States are spending. We cannot all at once make the same grants to research as are made in the United States, but if we were spending the proper amount of money on research, according to the minister's own figures given in the speech in Paris we would be spending $1,210 million, if my figures are correct, because our gross national product is $60 billion. This means we should be spending on research $1,200 million, and we are spending only $71 million. This is not good enough for the Canadian people.

I would point out to the minister, and he knows it as well as I do, that the rich get richer and the poor get poorer in the scientific field. The United States are able to attract qualified people from this country because they can pay higher salaries than we are able to pay. I ask the committee to consider the asset we could have in this respect. It costs us $30,000 to educate a man at engineering college. If he remained in this country, he would pay income tax; he would buy goods and services in Canada; he would create employment. If he goes to the United States, what does it cost this country? It costs us millions of dollars, because he will be an asset to the United States not only in the work he carries out there but in the discoveries he might make.

• (9:50 p.m.)

This brings another thought to my mind, namely that a successful industry today needs raw materials. We have a great deal of raw materials, and in this respect we are richer than any other nation in the world. However, we need scientifically trained people and we need capital, of which we do not have too much. We need modern equipment and a highly technical know-how, not only so that we can manufacture new goods and sell them in the markets of the world, but also so that we can successfully compete by manufacturing articles of better quality than those which are sold by other countries.

The minister made a statement, for which I congratulate him. He said that we should not rely on other countries to do our research work. I compliment him for making that statement but I would also urge him, if he sincerely believes in what he said, to step up the research program.

The minister stated that the best way to create incentive, to foster research and developments in addition to a skilful imposition of taxes and so forth, is to maintain an effective patent system and to protect it. I wonder how this will apply to the drug industry in Canada. Does he believe it will apply in the same way? Did he so advise the minister in the other department?—because this is a very important matter. I believe we should stimulate research in every way that we can.

I should like to draw the minister's attention to the fact that Canada deserves the best. He knows that we are not doing what we should do in research, and he has given us the figures to prove it. We are spending only $70 million when we should be spending $1,000 million. The more money we spend on research, the better we will be able not only to process our raw materials but to process our manufactured materials to be sold in the markets of the world. The more money we put into research the better we will be able to fight the brain drain and to create greater employment in Canada. This is the challenge which faces the minister responsible for research.

I will not dwell on matters relating to the medical field because my time is nearly up and I am sure the minister would like to make some remarks.

Mr. Orlikow: Mr. Chairman, I wish to begin by expressing not only amazement but concern about the fact that we have begun only now to discuss the estimates of the National Research Council, which I consider to be one of the most important agencies of the federal government, an agency on which in my opinion depends to a large extent the future welfare of this country. It has been well said by people who are greater experts in this matter than I am that in this day and age a country needs not only trained manpower and resources, which we have in great quantities, but that in order to prosper it needs technical know-how. If there is one thing of which we have been short in this country in recent years it is technical know-how.

The amount of money which is being spent on research in Canada is pathetic when compared with the amount spent by other industrial nations. It has been estimated that for every $1 per capita that we spend for scientific research, Great Britain spends $3 and the United States spends between $10 and $15. That being the case, although the estimates for the National Research Council are substantially higher this year, when we compare the amount which it is proposed we spend on N.R.C. next year with the amounts which have been asked for by the people who know best, that is the scientists in various fields, we should hang our heads in shame.

I am not suggesting for one moment that this government, or any other government, could meet in one year all the requests which the scientific disciplines have made on the government of Canada in recent years. However, if one considers, for example the requests, not only those that have come out of thin air but requests based on a hard-headed examination of what is needed and what can be done in the field of medical research—and the most recent one was prepared by Mr.

Gundy, working with a group of most competent researchers in the field of medical research in Canada—he really wonders whether the government has begun to realize what is required.

Within the past week we saw the publication of a report entitled "Physics in Canada, Survey and Outlook" prepared by a study group of the Canadian Association of Physicists. I do not have the time to put on record some of their findings, nor did I have the time to read the report in any detail, but I understand that the situation with regard to research in the field of physics is just as bad as it is in the field of medical research according to the Gundy report.

Therefore I find it amazing that the minister should permit these estimates to be discussed tonight without first making an opening statement. I think he did a disservice to the house.

Item stands

Resolutions adopted in committee of supply this day reported and concurred in.

• (10:00 p.m.)

NATIONAL RESEARCH COUNCIL

TABLING OF ANNUAL REPORT

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, unfortunately our discussion of the estimates of the National Research Council was terminated by the clock. I did not have an opportunity to reply to the many members' questions or to make comments, so with the leave of the house I should like to table now the 50th annual report of the National Research Council for 1966-67 in English and in French.

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. MacLean (Queens): Mr. Speaker, I should like to ask the house leader if the schedule of business which was previously announced for tomorrow will be proceeded with in the same order, or are there any changes?

Mr. MacEachen: No, Mr. Speaker, there is no change in the business for tomorrow, except that I would mention to hon. members I should like to call item 27 to refer certain reports to the committee on veterans affairs. This would be done at the request of committee members, so I will call this item first tomorrow on the understanding it would be passed without debate.

[Mr. Orlikow.]

Mr. Knowles: Why not do it now?

Some hon. Members: Agreed.

Mr. Lambert: Ten o'clock.

VETERANS AFFAIRS

REFERENCE OF REPORTS TO STANDING COMMITTEE

Hon. A. J. MacEachen (for Mr. Teillet) moved:

That the annual report of the Department of Veterans Affairs, the Canadian Pension Commission and the War Veterans Allowance Board for the fiscal year ended March 31, 1966, be referred to the standing committee on veterans affairs.

Motion agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

NATIONAL DEFENCE—VANCOUVER—REQUEST FOR USE OF LAND FOR PARK PURPOSES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, on May 31 I asked the government concerning recent representations made by the city of Vancouver requesting the Department of National Defence to permit the city of Vancouver the use of Jericho for park and recreational purposes. This is a very long standing request from the city of Vancouver, but it has been made again in very specific terms. The city of Vancouver is asking the federal government to grant the use of the land north of Fourth avenue, the defence lands known as Jericho, to the city for park and recreational purposes at a nominal rent of a dollar per year for a period of 99 years, with perpetual renewal.

I should like to make certain points which are very clearly and specifically made in this excellent brief from the city council. First of all, Jericho national defence lands break an almost continuous waterfront park system stretching from Stanley park to the north of the Fraser. Jericho national defence lands are one of the few consolidated areas still available to the city for the major park Vancouver needs in that area. In considering this, I must say that the provincial government has promised the release of its two waterlots which are adjacent to Jericho national defence lands if Ottawa will release Jericho. In other words,

we have a promise from the provincial government that they will make possible the continuation of this Marine Drive and parkland area—I mean the land adjacent to Marine Drive, for a continuous park area in a belt around Vancouver.

Then, in the fourth place, the city makes it quite clear it has been grateful for the use of the national defence lands at Kitsilano. It has not let them lie fallow. This is where the centennial museum and planetarium are being established. My reason for mentioning this is that it is an indication of the good intentions of the city to use Jericho national defence lands if the city can get them. We need all the beaches we can develop because we regard them as invaluable, since they provide wholesome pleasure for our people and the tourists who come in. Our beaches have public access and are tremendously valuable not only to our own citizens but to others. Many cities have to pay princely sums to get such water frontage, and Vancouver would take the beach now if the Jericho lands were released.

This afternoon reference was made in the house to the Old Testament figure of Moses. Tonight I would appeal to the federal government and particularly to the Department of National Defence to blow its trumpet so that the red tape walls of Jericho will come tumbling down, and set Vancouver free to make yet another lovely park available to its own citizens and to the thousands of tourists who throng our parks and beaches. I hope the minister will be able to let Vancouver have this which we need so badly. We know how to use parks and to share them with people from all across Canada as well as from other countries who come in ever greater numbers. I hope the minister will make it possible for us to get Jericho beach and the two big water lots adjacent to it.

Hon. Léo Cadieux (Associate Minister of National Defence): Mr. Speaker, this is not the first time I have heard about Jericho beach, but it is the most eloquent plea for its release that I have heard. Unfortunately, I cannot right now release this valuable property, as it was described by the hon. member. We also realize that it is a very valuable asset.

We have received a brief presented by the city of Vancouver. This was passed to our property people for study and report. As a matter of fact, we have hired a consultant of our own and we expect the consultant's report to be presented within six weeks or thereabouts. Then of course the report will have to be referred to the government for decision.

I believe the hon. member referred to the fact that this matter has been hanging on for a long time. We realize that and want to do something about it, but the question is very involved and we want to have all the facts and to study the question in depth. I can assure the hon. member that this question is very much in our minds. We are doing something in order eventually to solve the problem, and I hope to the satisfaction of everyone concerned, including of course the hon. member.

[*Translation*]

TRADE—TEXTILES—REQUEST FOR RESTRICTIONS ON IMPORTS

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to call the attention of the Minister of Finance (Mr. Sharp) and the government to the steady increase of foreign textile imports, to the stifling problems they cause Canadian industries and to the harmful effects they have on our working class.

Further to the questions I had put on the order paper of the house last year and to which the hon. Minister of Finance had to reply, we know that the Pearson government allows 83 countries to export textile products to Canada.

Thus, in 1963, total imports of foreign textile products reached a value of $486,350,000; in 1964, $559,795,000; in 1965, $581,880,000; in 1966, more than $600 million and this increase is rising further in 1967. In the last three years, imports of foreign textile products have increased on the whole by more than 25 per cent. This is an unacceptable situation, Mr. Speaker, and the present government is to be severely blamed for failing to reasonably protect our Canadian textile industries and for systematically refusing, in spite of my numerous interventions in this house, to adopt measures and to enter into more sensible and less irresponsible negotiations.

I am sorely disappointed at the apathy of the ministers and Liberal members from Quebec in view of such serious problems which affect thousands of our workers. Indeed, textile factories are to be found not only in Sherbrooke, where there are twelve, but also in Shawinigan, Grand'Mère, Joliette,

Trois-Rivières, Magog, Granby, Drummondville, Montmorency, Sorel, Cowansville, Lachute and Montreal.

• (10:10 p.m.)

What concern is expressed by the members and ministers from those areas in view of the steps taken by the government to participate in the Kennedy round? It is high time that these gentlemen leave their ivory tower and abandon their partisan self-satisfaction, while their overly liberal ministers make ready to cut duties on imports of foreign textiles by 50 per cent and quietly do away with our anti-dumping regulations.

The Minister of Finance and the Minister of Trade and Commerce (Mr. Winters) should intervene immediately, so that the Japanese may stop cheating on their voluntary quotas and limit their exports to materials made of artificial and synthetic fibres. Canadian textile companies and workers unions want very much the Canadian government to impose general restrictions on imports from Japan and other Asian countries and to insist on a lower import quota than the present one.

It should not be necessary to point out that Japan, in particular, does not care what inconvenience it causes our Canadian textile industries by increasing dangerously the number of items not covered by its voluntary quotas, by raising its quotas each year, and by shamelessly copying our lines and types of products.

Our Canadian textile industries have been ingenious and aggressive up until now, but they cannot perform a miracle, and they show less and less profit. That is why the government must act immediately.

Last week-end, the hon. Minister of Finance spent two days relaxing in the eastern townships. Instead of limiting himself to general and innocuous statements on television in Sherbrooke, he should have taken advantage of his stay to visit the industries and meet the representatives of Dominion Textile and the union leaders.

He would have learned that the situation is serious, that imports are growing constantly and that the federal government should institute forthwith a royal commission of inquiry on the Canadian textile industry like the Turgeon commission of 1936.

The 1936 inquiry was requested by the city of Sherbrooke and it examined many subjects, among which the development of the textile industry in Canada, the change in the structure of the world textile trade, Canada's customs tariff and its application in recent years; prices and production, investments, profits, costs, salaries and bonuses, business associations, combines and monopolies, salaries, employment and industrial relations and on the importance of the inquiry and the responsibilities of the protected industry.

Therefore, Mr. Speaker, I shall conclude by urging the government, the Minister of Finance and Receiver General (Mr. Sharp) and the Minister of Trade and Commerce (Mr. Winters) to take immediate action so that our Canadian textile industry does not find itself in stagnation; I urge the Canadian government to take without delay the necessary action to restrict textile imports which stifle and paralyse our industry, which take jobs away from our Canadian workers, particularly in our twenty Quebec towns that live off the textile industry and in the riding of Sherbrooke, which has 12 textile mills employing 40.4 per cent of that riding's workers.

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): Mr. Speaker, the subject raised by the hon. member for Sherbrooke (Mr. Allard) comes under the jurisdiction of the Minister of Finance and I had the opportunity earlier of informing the hon. member that the Minister of Finance was unfortunately out of town today. I took note of the remarks made by the hon. member for Sherbrooke and I can assure him immediately that his concern about the textile products is shared not only by the Minister of Finance but also by the whole cabinet and all the hon. members on this side of the house.

However, I know that there is perhaps a difference between the speech made by the hon. member for Sherbrooke and the responsibility which rests with the government at the present time in a field which is of interest to all countries, because the hon. member for Sherbrooke should know that every country is interested in the textile industry because of its production.

Anyway, I take due note of his remarks and I shall pass them onto the Minister of Finance and Receiver General who will be able to give even better answer in due time.

[*English*]

MR. JUSTICE LANDREVILLE—REQUEST FOR STATEMENT ON POSSIBLE PAYMENT OF PENSION

Mr. Robert McCleave (Halifax): Mr. Speaker, a question has been raised by the resignation of Mr. Justice Leo A. Landreville as of June 30 immediately before a Senate

committee was to hear an address based on the findings of a parliamentary committee of the Senate and the House of Commons.

In my opinion, the findings of that committee made him guilty beyond any reasonable doubt in the mind of any reasonable thinking person of the allegations with which he was originally charged before various commissions, before a court and before the committee, and my opinion is that admission of that guilt was made when he resigned before the Senate could come to grips with the case.

What happened? That afternoon, various questions were asked in parliament. The record of one of them appears in *Hansard* of June 8 at page 1283. I quote from *Hansard* of that day. In reply to the Leader of the Opposition (Mr. Diefenbaker) the Minister of Justice (Mr. Trudeau) said:

> I can only say that as far as I know there is no question of bounty.

The record continues:

> Mr. Diefenbaker: Then let us get a comment from the minister. Will Justice Landreville receive a pension? Is that a commentary?
>
> Mr. Trudeau: Mr. Speaker, I understand this question. I think it is very much the type of matter to which the government might well give some consideration.

That, I interject parenthetically, was a fine start for a new minister in the House of Commons.

Then, the matter being raised a second time the next day as reported at page 1343—

> Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Minister of Justice? Will the minister assure the house that no retired judge's pension will be awarded to Mr. Landreville without the matter first being brought to the attention of parliament?
>
> Mr. Trudeau: Mr. Speaker, I see no reason why I should give that assurance.

Later, the hon. member for Winnipeg North Centre asked:

> May I direct a further supplementary question to the one I asked of the Minister of Justice in the light of the answer he gave me a few minutes ago. Has the question of a retired judge's pension for Mr. Landreville already been settled?

To this question, the minister answered, no.

Hence my question, and hence my indignation, which is probably becoming rapidly obvious, that after a catalogue of sins which I shall shortly relate a man should come before the government of Canada, having made, or preparing to make, some nefarious deal, nearing the twilight of a career which has proved nothing but dishonourable, at least for the last ten years, and seek a pension of $18,300 a year. There is one gentleman in the House of Commons who has probably served three times as long as the former judge served, and under our pension set-up he would receive $3,000, $4,000 or $5,000.

• (10:20 p.m.)

When a man who has served ten years, always under the twilight of dishonour, should come before us with that sort of request, well, Mr. Speaker, my indignation does boil over, but not to the point that I cannot stop it at the moment to ask one question of my hon. friend the Minister of Justice. I would ask him this, whether there is a resignation under foot without any deals, with no promise of a pension being considered for L. A. Landreville of Sudbury, with no provisional pension promised, and with the government firmly bent on providing no pension under any circumstances?

If the Minister of Justice says yes to that at the moment, or no to that at the moment, then I will proceed accordingly. If he can assure me that no pension is promised to this miscreant judge under any circumstances I will sit down and he will hear no more from me. But if he cannot rise at this moment and say it is not promised under any circumstances, then I will not only pursue the matter now but I will pursue it on any other occasion I can; and I can assure you, Mr. Speaker, and the government, that there will be many other members of this house, and not alone on this side, who will pursue it also.

Does the minister promise that? He sits silent.

In his career on the bench, which roughly, oddly enough, coincided with my career in parliament, Landreville did these things:

1. He committed perjury before a parliamentary committee, before commissions and before various courts of Canada.

2. He treated a commission of the highest court in the land, that is the committee of parliament, as a group of bumpkins who could be beguiled by loud protestations and long words.

3. He was guilty of trying to put undue and unseemly pressure on the Liberal candidate in the Sudbury by-election to secure a pension.

4. He was guilty of conduct unbecoming a judge when the R.C.M.P. came around to ask him what he was doing with regard to certain dealings with NONG stock.

5. He was guilty of lack of candour and honesty in dealing with any authority and,

Proceedings on Adjournment Motion

Mr. Speaker, he never volunteered information until that information, or the hint of it, first came out and he knew he was caught in some sort of a dead end.

Now, there is a question here as to whether under the discretional provisions of the Judges Act any government should be allowed to give him a pension. I say, sir, that there is no question of discretion involved here at all, that he was guilty by any admission he might have made, by resignation before the guillotine fell on him in parliament.

Mr. Speaker: Order, please. The hon. member's time has expired.

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, the hon. member for Halifax (Mr. McCleave) asked me two questions. I am sorry I cannot read my own writing but I think I remember what the hon. member was saying. The first question was whether there was any deal, with provision to a pension, or something of that order. The answer is no. Neither the government nor myself made any deal with Mr. Justice Landreville regarding pension. The second question was whether the government was firmly bent on giving any such pension, and the answer is no. The government is not firmly bent on giving any pension.

Beyond those two simple answers, Mr. Speaker, if I have a moment I might comment on some other aspects of the hon. member's statement. He took offence at the fact that I said I would not give an undertaking to parliament that I would necessarily consult with it on this question, and I heard the hon. member for Winnipeg North Centre (Mr. Knowles) say "shame" when the answer was quoted as being no. There is nothing under the law of parliament or of the land that would make me give such an undertaking to parliament. Hon. members know the law pertaining to judges and to judges' pensions. They can read it.

There are cases where the government by order in council can give a pension. I have no intention of intimating that this is a case where the government would give a pension, but the answer I gave was perfectly proper because I stand by the letter of the law.

Mr. Knowles: There is a question of parliamentary morality.

Mr. Trudeau: On the question of parliamentary morality, sir, I think the shoe is on the other foot. I am a little distressed that the hon. member for Halifax (Mr. McCleave) should have made such an accusation about Mr. Justice Landreville committing perjury.

Mr. McCleave: He did.

Mr. Trudeau: Sir, this is gratuitous affirmation by the hon. member.

Mr. McCleave: It is not. He did.

Mr. Trudeau: As the hon. member knows, Justice Landreville has been found guilty of no crime under the laws of this country. In the view of the parliamentary committee and of the commissioner, hon. Mr. Justice Rand, he has been found guilty of conduct, not on the bench but as a private person, guilty of conduct unbecoming a judge, that is to say, in meeting the high standards which we demand, and I think rightly so, of judges in this land. But he has been found guilty of no crime, and I personally do not subscribe to the kind of persecution upon which some members of the opposition seem to be bent since we got Justice Landreville's resignation.

Surely this is what we were hoping for. Surely hon. members were not looking forward with glee to the procedure of a joint parliamentary address. Surely if Mr. Justice Landreville resigned this should be the end of the matter, once the government has accepted the resignation. I do not share at all the kind of thinking which is behind the question asked by the hon. member of the opposition.

Mr. Speaker: Order. The time allotted to the minister has expired.

Motion agreed to and the house adjourned at 10.30 p.m.

[The following items were passed in Committee of Supply this day:]

DEPARTMENT OF DEFENCE PRODUCTION

1, 5, 20, 25, 30, 40, 45, 50.

HOUSE OF COMMONS

Wednesday, June 14, 1967

The house met at 2.30 p.m.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MAINTENANCE AND OPERATING EXPENSES, WELLAND CANAL

Question No. 72—**Mr. Aiken:**

1. Have the maintenance and operating expenses of the Welland ship canal, per vessel transit, increased or decreased since 1959 and, if so, by how much?

2. What is the reason for such increase or decrease?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The St. Lawrence seaway authority advises as follows: 1. Yes, from $339 in 1960 to $1,082 in 1966.

2. The reasons for the increase are: (a) Increases in payrolls and employee benefits arising from collective agreements negotiated in 1959, 1961, 1964 and 1966. (b) Increases in miscellaneous costs reflecting generally increasing prices, including grants in lieu of municipal taxes at prevailing rates. (c) Following a long period during which maintenance had been kept to a minimum, the need to relieve increasing congestion and to keep traffic moving, which dictated a major improvement program, involving both capital and non-capital expenditures. (d) Increasing traffic, characterized by substantially larger cargoes per transit. This dictated a traffic survey by expert consultants to identify critical areas requiring improvements. This survey, which had been substantially completed by the end of 1966, together with the improvement program in (b) above, produced a 35 per cent increase in canal capacity.

CONSTRUCTION OF BRIDGE, P.E.I. NATIONAL PARK

Question No. 107—**Mr. Macquarrie:**

1. Does the government intend to construct a bridge across Rustico harbour as a part of the gulf shore highway of the P.E.I. national park?

2. If so, when is construction scheduled to begin?

3. What reason or reasons prompted the delay in the construction of this portion of the gulf shore highway?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. No decision has been reached at this time on a bridge across Rustico harbour pending the results of current engineering investigations being carried out to determine if a bridge is technically sound and advisable. Also, an analysis will be necessary to decide if the benefits derived from such a bridge will equal the cost involved and any effect it may have on the natural and recreational features of the area.

2. Not applicable.

3. See part 1.

NAVIGATIONAL AIDS ON "CAPE BONNIE"

Question No. 126—**Mr. McCleave:**

On the morning that the *Cape Bonnie* ran aground, were all of the following navigational aids in complete operation at all relevant times (a) lights on Sambro Island, Chebucto Head, Devils Island and Maugher beach (b) fog signal on Sambro Island (c) fog signal at Chebucto Head and on Maugher beach (d) radio beacon on Sambro Island (e) radio marker beacon on Hartlen Point (f) Loran navigation system (g) Decca navigation system?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): (a), (b), (c), (d), (e), (f), and (g), yes.

Note: With respect to (g), while the Decca navigation system was reported as unreliable between 1.25 and 1.45 a.m. on the morning of February 21, a navigation warning was broadcast at 2.08 indicating that unreliability had occurred during that period; moreover, the system became fully operational again well before the presumed time of the accident and it is not considered that the short period of unreliability could have had any bearing on the accident.

UNDERWATER RIGHTS, ST. PIERRE AND MIQUELON

Question No. 139—**Mr. Godin:**

1. Is Canada now involved in negotiations with France concerning underwater rights in St. Pierre and Miquelon and, if so, what precisely are the claims made by (a) France (b) Canada?

2. How large is the area under dispute?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): 1. Canada has been engaged

Questions

in discussions with France for approximately one year with respect to the areas of Canadian and French jurisdiction over the continental shelf south of Newfoundland and more particularly in the vicinity of the St. Pierre and Miquelon islands. The positions of both countries are based on different interpretations of the applicable principles of international law. As negotiations have not yet been brought to a conclusion, it would be contrary to practice to divulge, at this time, the details of the respective claims of Canada and France with regard to this matter.

2. See answer 1 above.

[*English*]

AGRICULTURAL AND NON-AGRICULTURAL LABOUR FORCES

Question No. 154—**Mr. Bell (Carleton):**

1. Has there been a decline in the agricultural labour force during each of the years 1963 to 1966 inclusive and, if so, what has been that decline in numbers?

2. During each of these years, what has been the increase in the non-agricultural labour force?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. Agricultural labour force, annual averages 1963-1966, Canada:

	Total	Decrease from previous year
1963	663,000	
1964	641,000	22,000
1965	602,000	39,000
1966	551,000	51,000

2. Non-agricultural labour force, annual averages 1963-1966 Canada:

	Total	Increase from previous year
1963	6,086,000	
1964	6,292,000	206,000
1965	6,540,000	248,000
1966	6,869,000	329,000

HYDROGRAPHIC SURVEY OF LAKE WINNIPEG

Question No. 157—**Mr. Stefanson:**

Has the survey on lake Winnipeg being undertaken by the Canadian Hydrographic Service been re-established as of this year and, if so (a) how large a crew will be working (b) what is the estimated cost (c) how long will it take to complete?

Mr. Jack Davis (Parliamentary Secretary to Minister of Energy, Mines and Resources): The hydrographic survey of lake Winnipeg has not been re-established this year and therefore (a), (b) and (c) are not applicable. However, it should be noted that a reconnaissance survey of the Red river from Winnipeg to lake Winnipeg will be carried out by a small sub-party during this summer to enable a new small craft chart to be prepared.

FARM MACHINERY SYNDICATES

Question No. 185—**Mr. Dinsdale:**

1. How many farm machinery syndicates have been established in (a) each province (b) for each year since the legislation was passed?

2. How many of these farm machinery syndicate groups are still operating in each province?

Hon. J. J. Greene (Minister of Agriculture): The Farm Credit Corporation advises as follows:

Farm machinery syndicates

(a) and (b).

1. Province	Jan. 1/65 to Mar. 31/65	1965-66	1966-67	April 1/67 to June 1/67	Total	2. Still operating
B.C.	1	3	3	1	8	8
Alta.	10	42	29	10	91	90
Sask.	7	17	8	—	32	30
Man.	1	12	11	—	24	24
Ont.	2	11	21	4	38	38
Que.	1	12	23	7	43	43
N.B.	—	—	1	—	1	1
N.S.	—	—	1	—	1	1
P.E.I.	—	1	—	—	1	1
Nfld.	—	—	—	—	—	—
TOTAL	22	98	97	22	239	236*

*Three syndicates have repaid their loans, but it is not known if they are continuing their syndicate arrangements.

[Mr. Martin (Essex East).]

C.J.L. FOUNDATION, REXDALE, ONT.

Question No. 186—**Mr. Schreyer:**

1. Is the C.J.L. Foundation, Box 151, Rexdale, Ontario, registered with the Department of National Revenue as a charitable institution or organization?

2. Are all contributions made to the above noted organization regarded as deductible for income tax purposes?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): 1. The C.J.L. Foundation, Box 151, Rexdale, Ontario, is not registered with the Department of National Revenue as a charitable institution or organization.

2. Contributions made to the above noted organization are not regarded as deductible for income tax purposes.

MANPOWER CENTRES VACANCIES AND PLACEMENTS

Question No. 188—**Mr. Fawcett:**

1. What was the total number of vacancies listed by employers with the Canada manpower centres of the Department of Manpower and Immigration during the period from January 1, 1967, to May 31, 1967?

2. What was the total number of workers placed in employment by the Canada manpower centres of the Department of Manpower and Immigration during the period from January 1, 1967, to May 31, 1967?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1. The total number of vacancies listed by employers with the Canada manpower centres of the Department of Manpower and Immigration is not yet available for the month of May, 1967. Data for the period January 1, 1967 to April 30, 1967 is available; the total number of vacancies listed during this period was 385,813.

2. The total number of workers placed in employment by the Canada manpower centres during May 1967 is also not available at the present time. The total number of workers placed for the period January 1, 1967 to April 30, 1967 was 271,946.

EMPLOYMENT SERVICE VACANCIES AND PLACEMENTS

Question No. 189—**Mr. Fawcett:**

1. What was the total number of vacancies listed by employers with officers of the national employment service during the period from January 1, 1965, to May 31, 1965?

2. What was the total number of workers placed in employment by officers of the national employment service during the period from January 1, 1965, to May 31, 1965?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1. The total number of vacancies listed by employers with the local offices of the National Employment Service during the period January 1, 1965 to May 31, 1965 was 600,694. The total of vacancies to April 30, 1965 was 450,225.

2. The total number of workers placed in employment by the local offices of the National Employment Service during the period January 1, 1965 to May 31, 1965 was 448,152. The total of placements to April 30, 1965 was 334,291.

C.M.H.C. GRANTS FOR POSTGRADUATE STUDIES

Question No. 214—**Mr. Allard:**

Are scholarships and grants distributed by Central Mortgage and Housing Corporation to promote postgraduate studies and research in the field of housing, town planning and related subjects in Canadian universities and, if so (a) for the years 1966 and 1967, how many scholarships were granted in each province and what is the total value of these scholarships (b) in the province of Quebec, what universities registered the recipients of such awards and in what proportion?

Hon. J. R. Nicholson (Minister of Labour):

(a)	1966	1967
Alberta		
Number of awards	—	3
Total value	—	$ 9,000
British Columbia		
Number of awards	12	9
Total value	$35,850	$29,650
Manitoba		
Number of awards	5	5
Total value	$13,650	$14,650
New Brunswick		
Number of awards	—	—
Total value	—	—
Newfoundland		
Number of awards	—	—
Total value	—	—
Nova Scotia		
Number of awards	1	1
Total value	$ 650	$ 650
Ontario		
Number of awards	21	24
Total value	$69,650	$92,650

Questions

(a)	1966	1967
Prince Edward Island		
Number of awards	—	—
Total value	—	—
Quebec		
Number of awards	20	14
Total value	$53,850	$37,950
Saskatchewan		
Number of awards	—	1
Total value	—	$ 4,000

(b)	1966	1967
University of Montreal		
Number of awards	16	8
Total value	$45,550	$22,650
Laval University		
Number of awards	1	1
Total value	$ 650	$ 650
McGill University		
Number of awards	3	4
Total value	$ 7,650	$11,650
University of Sherbrooke		
Number of awards	—	1
Total value	—	$ 3,000

GREEK VIOLATION OF EUROPEAN HUMAN RIGHTS COMMISSION

Question No. 219—**Mr. Ormiston:**

Was the government requested by the international commission of jurists in Geneva on May 13, 1967, to investigate the alleged violation by Greece of the European human rights commission.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the answer to this question is no. It is my understanding that a letter dated May 13, 1967 was addressed by the secretary general of the international commission of jurists to the European governments which are high contracting parties to the European convention for the protection of human rights and fundamental freedoms and to members of the council of Europe. As Canada is not a member of either of these bodies, it was not included among the addressees.

SEASONAL FARM LABOUR

Question No. 223—**Mr. Danforth:**

1. From what countries were seasonal farm labourers brought into Canada under mutual agreement in 1966 and 1967?
2. What were the total number of seasonal workers brought into Canada in 1966 and 1967?
3. With what countries has the Canadian Department of Manpower and Immigration held direct or indirect negotiations regarding availability of seasonal farm help for Canada?
4. If Bermuda and the Bahamas have not been included, what are the reasons for their exclusion?

[Mr. Nicholson.]

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1. In 1966 seasonal farm labourers were brought to Canada from U.S.A. and Jamaica. In 1967 it is expected workers will be coming from U.S.A., Jamaica, Trinidad and Tobago and Barbados.

2. The total number of seasonal workers brought into Canada in 1966 was 2,808, with 2,544 from U.S.A. and 264 from Jamaica. The total number of seasonal workers brought into Canada in 1967 so far is 148.

3. The Canadian Department of Manpower and Immigration has held negotiations with U.S.A., Jamaica, Trinidad and Tobago and Barbados regarding availability of seasonal farm help for Canada.

4. The 1966 movement of workers from Jamaica was an experiment. It was decided this year to broaden the experiment to the two next largest source countries in the Caribbean. A wider extension would have imposed excessive problems of administration. But it has been made clear that, apart from the movement organized by governments, the department will co-operate with employers who, through their own arrangements, hire individual seasonal workers in other commonwealth or French Caribbean territories provided they meet the same terms as those stipulated for the organized movement. If the 1967 movement is successful, and such seasonal labour continues to be required in considerable numbers in 1968, a further extension of the source countries for the organized movement will be considered.

UNEMPLOYMENT INSURANCE FUND

Question No. 242—**Mr. Crossman:**

What was the amount to the credit of the unemployment insurance fund on March 31 of each year from 1957 to 1967 inclusive?

Hon. J. R. Nicholson (Minister of Labour):

Year	Balance in fund
1957	$874,574,651.66
1958	744,200,124.87
1959	499,811,157.51
1960	365,892,232.95
1961	184,684,852.66
1962	66,598,051.79
1963	9,692,828.35
1964	874,880.11
1965	40,496,762.98
1966	141,483,169.21
1967	253,912,564.00 (interim)

QUESTIONS PASSED AS ORDERS FOR RETURNS

NORTHERN AFFAIRS CONSTRUCTION PROJECTS

Question No. 89—**Mr. Orange:**

In the estimates of the Department of Indian Affairs and Northern Development, vote 25 under "Administration—Construction or acquisition of buildings, works, lands and equipment", what is the breakdown of construction projects proposed in 1967-68 for this item, indicating (a) where they are to be located (b) when they will start (c) the completion date for each project?

Return tabled.

INDIAN AFFAIRS CONSTRUCTION PROJECTS

Question No. 90—**Mr. Orange:**

In the estimates of the Department of Indian Affairs and Northern Development, vote 25 under "Regional development—construction or acquisition of buildings, works, land and equipment", what is the breakdown of construction projects proposed in 1967-68 for this item, indicating (a) where they are to be located (b) when they will start (c) the completion date for each project?

Return tabled.

INDIAN AFFAIRS EDUCATIONAL CONSTRUCTION PROJECTS

Question No. 91—**Mr. Orange:**

In the estimates of the Department of Indian Affairs and Northern Development, vote 25 under "Education—construction or acquisition of buildings, works, land and equipment", what is the breakdown of construction projects proposed in 1967-68 for this item, indicating (a) where they are to be located (b) when they will start (c) the completion date for each project?

Return tabled.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notice of motion for production of papers No. 14 is acceptable to the government.

I ask, sir, that the remaining notices of motions be allowed to stand.

[*English*]

TRANSFER OF INDIAN AFFAIRS OFFICE, AMOS, QUE.

Motion No. 14—**Mr. Laprise:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of all papers or correspondence between the Department of Indian Affairs and Northern Development and all municipal corporations, public agencies, Indian bands and private individuals, concerning the transfer from Amos to Val d'Or of the district office of the Indian affairs general branch.

Motion agreed to.

27053—97½

Inquiries of the Ministry

UNITED NATIONS

MIDDLE EAST—CONSIDERATION OF RESOLUTIONS BY SECURITY COUNCIL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister bring the house up to date with regard to the discussions at the United Nations? In particular would he say what significance there is in the fact that France is apparently supporting the U.S.S.R. in the current resolution before the security council; and would the Prime Minister say whether consideration is now being given to the creation of an armed force to maintain the equilibrium in those areas in the Middle East that were recently at war?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as my right hon. friend knows the security council was meeting this morning to discuss the resolution of the U.S.S.R. which would have provided for condemnation of Israel and the withdrawal of her forces behind the armistice lines in force before the conflict began a week ago. I am informed that this resolution did not carry. I think it was voted on just before we came into the house, at about 2.20 or 2.25, but it did not carry. I am not sure of the position taken by France on that resolution. There is no information I have which would indicate that France supported the U.S.S.R., but I will know that in a few minutes.

There has been no discussion yet at the security council about the establishment of a United Nations presence, though there has been a good deal of discussion behind the scenes among the members of the council about the desirability of establishing such a presence in the area at this time. I am not sure what the security council will do this afternoon. There are two other resolutions before the council, one by the United States calling for discussions among the parties concerned looking toward the conclusion of arrangements for the withdrawal of the armed forces and the establishment of peace in the Middle East, and the Canadian resolution, which has been before the council for some days, requesting the president of the council and the secretary general to take the necessary measures to bring about effective compliance with the cease fire.

I believe, Mr. Speaker, subject to confirmation—because I do not know what the security council will decide—the council will probably be discussing the United States resolution this afternoon. Whether it would be desirable to bring forward the Canadian resolution for discussion and decision will depend, of course, on developments. It is our view that only after the security council has exhausted its consideration of all these resolutions and any other action it might take would it be appropriate to have a meeting of the general assembly on the subject, as already proposed by the Soviet delegation.

Mr. Diefenbaker: Would the Prime Minister say whether in the speech delivered by the Secretary of State for External Affairs at the NATO meeting, including the page that flew out the window, the guarantee that Canada asks that Israel will not again be subjected to unilateral intimidation included as well the provision that the gulf of Aqaba shall not again be closed? Is that part of the proposition that Canada has in mind, as envisaged by the Secretary of State for External Affairs?

Mr. Pearson: Mr. Speaker, I have seen the speech of the Secretary of State for External Affairs.

Mr. Knowles: All of it?

Mr. Pearson: All of it, including the page that fell out the window. It just so happens that sometimes a page that falls out the window gets more publicity than other more important pages in a speech.

Mr. Diefenbaker: Great was the fall thereof.

Mr. Pearson: The Secretary of State for External Affairs put forward ideas which have already been put forward in the house, and I am sure he would be very glad indeed to have this statement tabled. Perhaps that could be done tomorrow morning.

I think it is a little premature at this stage, while discussions are going on, to indicate the exact measures, the international guarantees, which Israel has the right to require for her own security and for the security of the waters leading to the gulf of Aqaba. These two principles which I am sure all members of the house have felt to be very important indeed and should be subject to international arrangements, if possible with international commitments, if we are to ask Israel not to rely on her own strength for her own security.

[Mr. Pearson.]

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the right hon. Prime Minister two supplementary questions. The first is, how did the Canadian representative at the UN security council vote on the resolution which was considered this morning? My second question is with respect to the speech at the NATO conference by the Secretary of State for External Affairs, who made references to guarantees that should be given by the permanent members of the security council. May I ask the Prime Minister whether he would not agree that any guarantees which are given ought to have the support and the prestige of the entire security council rather than the support merely of the big four, if those guarantees are to carry some weight in the years ahead.

Mr. Pearson: Mr. Speaker, so far as the guarantees of the four permanent members of the security council are concerned, I think it is essential, if there is to be any international guarantee, that it should include these four, of course. As my hon. friend knows, it was in 1950 I think when there was a tripartite guarantee of the territorial integrity of Israel. That was agreed on outside the United Nations and did not prove very effective in the circumstances.

While I feel, as I am sure my hon. friend feels, it is of vital importance that these four countries should participate in any guarantee, it would be even better if they participated as four members of the security council and of the United Nations. I hope it can be done in that way.

So far as the Canadian vote that took place at 2.25 today is concerned, I can only say this; that they did not vote for the Soviet resolution.

Mr. Churchill: Did they abstain?

Mr. Douglas: A further supplementary question, Mr. Speaker. Am I to understand from the Prime Minister's answer that the Canadian delegate abstained? If so, why?

Mr. Pearson: I cannot answer that question, but I do know that in discussions yesterday certain members were opposed to this resolution in most of its parts but felt there were some parts that should not be opposed. They decided that in the circumstances they would abstain on the resolution. Whether that was the decision taken this morning I do not know. I apologize for not being up to date on my information, but the voting only took place at 2.25.

Mr. Douglas: A further supplementary question, Mr. Speaker. May I ask the Prime Minister whether the Canadian representative is not acting on instructions from the government of Canada? What instructions were given to the Canadian delegate?

Mr. Pearson: Yes, Mr. Speaker, he is acting on instructions from the government of Canada. But as I am sure my hon. friend will appreciate, in present circumstances the Canadian representative, subject to decisions in principle that have been taken, must be given a certain leeway in carrying them out.

Some hon. Members: Hear, hear.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister and ask if any discussions so far have been held regarding the early reopening of the Suez canal; or must this await a settlement of the other issues that are involved?

Mr. Pearson: I do not know, Mr. Speaker, whether there have been any discussions among the governments most concerned about the reopening of the Suez canal which has been blocked, as my hon. friend knows, by ships which have been sunk in the canal. I am sure those countries that are most concerned, which would be the countries that used the canal most, will be holding discussions. I cannot at the moment say whether these discussions have begun. I do not know of any discussions which have taken place within the UN on this subject.

Mr. Diefenbaker: A supplementary question. Yesterday I asked the Prime Minister a question regarding certain ships and he said he would endeavour to ascertain the position. Has he been able to do so?

Mr. Pearson: We have asked our representative in the United Arab Republic to get us all the information he can about those ships. We know, of course, where they are, but we are trying to get information about the condition of the men on the ships. We have not got that information yet.

Mr. W. B. Nesbitt (Oxford): A related question to the Prime Minister. Would the right hon. gentleman give consideration to suggesting to the government of Israel that in view of the present Israeli military position, that country might make a magnanimous gesture by offering to help train the large group of Arab refugees to assist in their resettlement? And will Canada suggest to the other countries with which we are associated that we might help to finance such an operation should it be approved?

Mr. Pearson: We have already begun, together with other countries in the United Nations, to consider this aspect of the problem, one which was brought up yesterday in this house. I cannot say much more than I said yesterday, except that if any arrangement of this kind is made we shall certainly have to participate not only in terms of money but in terms of accepting some of these refugees.

[*Later:*]

Mr. Pearson: Mr. Speaker, may I add supplementary information to the answer given to the question asked about the voting which took place a few moments ago in New York on the resolution in question, the Soviet resolution. On the paragraph dealing with condemnation of Israel there were four members of the council in favour of that paragraph, the Soviet union, Bulgaria, Mali and India. All the other members of the council abstained. On the paragraph dealing with withdrawal by Israel there were six members in favour, the four I have mentioned plus Nigeria and one other, and the remaining nine members of the council abstained.

[*Translation*]

HOUSE OF COMMONS

APPLICATION TO STAFF OF BILINGUAL BONUS

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to put a question to the right hon. Prime Minister concerning the 7 per cent bonus for bilingual personnel.

Would the right hon. Prime Minister tell the house what is happening with regard to implementation and when the officers and secretaries of the House of Commons will receive this bonus?

Mr. Speaker: The first question should be placed on the order paper and the second should be put to the Chair in the usual manner.

Inquiries of the Ministry

[*English*]

LABOUR CONDITIONS

GREATER UNEMPLOYMENT INSURANCE BENEFITS TO UNEMPLOYED AUTOMOBILE WORKERS

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to address a question to the Minister of Labour. In view of the opinion expressed by Professor Vincent Bladen, whose studies and recommendations provided the foundation for the Canada-United States auto trade pact, that more generous unemployment insurance benefits should be substituted for the special assistance known as TAB, now available to those who lose their jobs as a result of this pact, would the minister say whether he is prepared to give this suggestion favourable consideration?

Hon. J. R. Nicholson (Minister of Labour): I may say, Mr. Speaker, that I read with great interest a newspaper report of Professor Bladen's views. When a man with his background makes a suggestion of this kind I can assure the hon. member it will receive serious and prompt consideration.

LABOUR RELATIONS

GREAT LAKES—THREATENED STRIKE BY SEAMEN'S UNION

On the orders of the day:

Hon. J. R. Nicholson (Minister of Labour): May I take this opportunity to deal with a question raised yesterday by the Leader of the Opposition with reference to a telegram that he stated had been sent to me by Mr. Leonard McLaughlin of the S.I.U. threatening a strike. The right hon. gentleman asked what action, if any, the government was taking to prevent a possible work stoppage.

I can advise the house that while I was on my way back from the I.L.O. conference in Geneva earlier in the week a telegram from Mr. McLaughlin was received in my office alleging that Canada Steamship Lines, with whom his organization was engaged in a contractual dispute, had unilaterally attempted to change working conditions. In my absence the officials of the department intervened at once, and a meeting was arranged between the representatives of the shipping company and the union. The discussion took place this morning I believe and the matter has been satisfactorily settled.

Some hon. Members: Hear, hear.

[Mr. Speaker.]

[*Translation*]

HATE LITERATURE

REPORTED DISTRIBUTION TO MEMBERS BY MAIL FROM MONTREAL

On the orders of the day:

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, on June 1 the hon. member for Saint-Denis (Mr. Prud'homme) put a question to the Solicitor General of Canada (Mr. Pennell) on hate propaganda against the Jews being distributed through the Canadian mails by a Montreal association.

In reply to this question, Mr. Speaker, I may say that my department has concluded its investigation on the purported use of the mails by L'Alerte de l'Occident, P.O. Box 185, Postal Station "R", Montreal, to distribute hate literature. Our counsellors feel that these writings are obscene and scurrilous and thus come under the prohibition provided for by section 153 of the Criminal Code prohibiting the use of the mails for the purpose of transmitting obscene and scurrilous material.

On June 9, 1967, I therefore signed an interim prohibition order stopping the delivery of any material mailed by or to the aforesaid organization.

[*English*]

DOMINION DAY

INQUIRY AS TO PROCLAMATION OF JULY 3 AS STATUTORY HOLIDAY

On the orders of the day:

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I would like to ask a question of the Prime Minister. I refer to the statement he made on June 9 when he announced July 3 as a public holiday to celebrate confederation. There appears to be considerable confusion as to whether July 1 is still a statutory holiday in addition to July 3 as proclaimed by the Prime Minister. Would he clarify this, because questions are being asked all across the country about the matter?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, July 1 is still the statutory holiday, Dominion day—

Some hon. Members: Hear, hear.

Mr. Pearson: —known legally and constitutionally as Dominion day, but perhaps in view of the fact that this is the one hundredth Dominion day we might be permitted for one year to call it Confederation day.

Mr. Diefenbaker: That is an afterthought.

Mr. Pearson: July 3 was proclaimed as a public holiday by the federal government so there would be a long week end on this the one hundredth anniversary of our confederation. That was considered to be appropriate. That only has legal effect so far as federal public servants and banks are concerned, but, as an indication, there has been a proclamation of a public holiday, though provincial governments will do as they see fit. I believe some are already taking action in this respect.

HOUSE OF COMMONS

REQUEST FOR STATEMENT ON TELECASTING OF HOUSE PROCEEDINGS

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I wish to ask the house leader if he could inform us as to the state of the discussions concerning televising the proceedings of the house.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I am indebted to my hon. friend for this question because it will give me an opportunity to clear up some of the inaccuracies that have surrounded this matter in the last few days.

As I understand it, prior to my becoming government house leader there had been some discussions with respect to filming procedure on a particular bill in the house as part of the centennial effort by the C.B.C. Apparently, although I cannot confirm this from my personal knowledge, there had been agreement among house leaders about the matter.

At any rate, shortly after I became house leader I was approached by the public affairs department of the C.B.C. and asked about the possibility of filming the progress of a bill through all its stages, or at least parts of those stages during this month. There had been only one bill eligible for this treatment in all its stages, namely the Cape Breton development corporation bill, and I assure members of the house it was not selected because of any local interest on my part.

Mr. MacInnis (Cape Breton South): You can say that again.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Confession is good for the soul.

Mr. MacEachen: I felt, Mr. Speaker, that my local interest was sufficiently well known without having it televised.

Some hon. Members: Hear, hear.

Mr. MacEachen: At any rate, I did discuss this possibility with two of the house leaders. To my recollection at no time did matters reach the point that it was necessary to consult the house leaders of the remaining parties in the house. At the end of last week from my point of view I had concluded, in consultation with others, that it would not be appropriate at this time to undertake this particular filming, and I communicated to the producer of the public affairs program on Friday last that there had been difficulties in the way of undertaking the filming of this particular bill.

Now, Mr. Speaker, I should like to add that personally I am in favour in principle with doing this kind of thing, although I did register objection at that time in respect of this particular bill. The matter of the installation of cameras and the removal of cameras is a matter which is outside my jurisdiction as house leader. May I say, in direct reply to the question, that at a meeting of house leaders this morning I believe we concluded that the filming of the proceedings in respect of this bill by the C.B.C. is now rather a dead issue, although the bill itself will make a magnificent contribution to the economy of Cape Breton.

Mr. Stanley Knowles (Winnipeg North Centre): May I ask a supplementary question, Mr. Speaker. In view of the fact that the C.B.C. has made plans in this regard, would it not now be possible to have this agreed to by unanimous consent?

Some hon. Members: No.

Mr. Thomas M. Bell (Saint John-Albert): I have a supplementary question, Mr. Speaker. Is there any truth to the rumour that the reason for the minister's decision is that the hon. member for Cape Breton South and the hon. member for Cape Breton North and Victoria are better looking than the minister?

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in respect of this matter it is so very important that the people of Canada, and particularly the school children, have some idea concerning the operation of parliament. Therefore I should like to direct a question to the Prime Minister. Under all the circumstances would he not give his support to something being done along this line early next week? If it is not to be in respect of this particular legislation, then perhaps it could be done in respect of some other legislation. The C.B.C. made its plans on the basis of an apparent agreement

arrived at among the house leaders before the Minister of National Health and Welfare occupied that position. I think there is a general desire on the part of all Canadians that this be done so the people as a whole and particularly the school children may be given a new idea of the operation of parliament.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I agree, particularly as a centennial project, that it might be desirable to have the C.B.C. film the progress of a bill through its various stages. It is unfortunate that the C.B.C. did not await a decision on this matter so it could have been planned and carried through in the right way. I hope this can be done during our centennial year. I think the house leaders and others might get together in an effort to see how it can be best planned and done.

This is apart from the general question of television coverage of our debates. I do not know whether other members will agree with me, but I have felt that while this is desirable and inevitable, perhaps the best way to begin would be by filming the proceedings of some of our committees. I hope if that is done the committees will not find themselves unable to meet because they do not have a quorum when the cameras are there.

Mr. Diefenbaker: Mr. Speaker, I suggested a long time ago that we start with the committees. That, however, is not the question with which we are faced now. The C.B.C. has planned a program, part of which would be the operation of parliament. Having gone so far as he has now will the Prime Minister, along with the other leaders in the house, do his part so the broadcast can take place here before July 1 in order that the C.B.C. may be enabled to carry out its program, and also so the demands of the Canadian people will be met.

Mr. Pearson: I should like to suggest that the house leaders have a meeting immediately, perhaps tomorrow morning, to see whether it is feasible to do this at this time. If it is not feasible to do it at this time, it certainly should be feasible to do it at the time of the introduction of the first appropriate piece of legislation.

Mr. D. V. Pugh (Okanagan Boundary): I have a supplementary question, Mr. Speaker. At the same time this is being planned, would the Prime Minister arrange for the substitution of perhaps Quentin Durgens for the Minister of National Health and Welfare?

[Mr. Diefenbaker.]

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 National Health and Welfare which is a follow-up to a question I asked the Minister of Finance last week concerning the increase in drug prices by manufacturers. My question arises as the result of a resolution passed yesterday by the Ontario Pharmacists Association in which these drug increases were confirmed. Is the government taking any action now to see that the tax benefit will be passed on to the consumers?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I thank my hon. friend for sending me notice of this question. I note that a resolution was passed at the meeting which proposed a six months voluntary restraint on prices by manufacturers and distributors, which in the circumstances would be quite desirable. However, I shall be happy to draw this question to the attention of the Minister of Finance and undoubtedly he will wish to reply at an early date.

Mr. Aiken: As a supplementary question, Mr. Speaker, may I ask the minister whether he is aware that this resolution which was passed by the retailers really was directed to another body, the manufacturers, and therefore is only a moral restraint and of no legal effect.

HEALTH AND WELFARE

MEDICARE—POSSIBLE RELATIONSHIP BETWEEN DOCTORS AND PATIENTS

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 National Health and Welfare. Did the minister in addressing the Canadian Medical Association in Quebec city, as reported, state that it may be necessary for doctors to see their patients on the basis of priority of illness when the medicare program comes into effect?

Mr. Speaker: Order. The question is not in order. The hon. member may not ask about the accuracy of reported statements.

Mr. Rynard: Did the minister say this?

Mr. Speaker: This is a question which should not be asked.

Mr. Rynard: I have a supplementary question, Mr. Speaker. I said it has been reported that the minister said this. I am asking him as to the accuracy of the statement.

Mr. Speaker: I would think neither question is acceptable or in order. In respect of statements made outside the house by a minister, the only question which can be asked is whether the reported statement represents government policy, and this question must be directed to the Prime Minister.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is for the Minister of National Health and Welfare. In his discussions with the Canadian Medical Association in Quebec was it brought to the attention of the minister by the members of that association that Canada is facing a serious shortage of medical manpower? If this is so, could the minister inform the house what position he took in this regard?

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

TRADE

FURNITURE—POSSIBLE EFFECTS OF GENEVA TARIFF NEGOTIATIONS

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Would the minister allay the fears of the furniture manufacturers of Canada by assuring us and the house that this is not one of the industries which will be opened up following the tariff negotiations under the Kennedy round.

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I think the furniture industry, along with other industries, will have to wait until the results of the negotiations are known. I do not think, however, this industry need have any more fears than other industries. The government has taken note of all these contingencies.

REPORTED LACK OF DEPARTMENT PERSONNEL SPEAKING JAPANESE

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the Minister of Trade and Commerce. In view of the rather startling disclosure yesterday that this department has no personnel who are fluent in the Japanese language, has the minister any announcement to make regarding a crash program of language training or a recruiting drive to fill this serious gap?

Mr. Speaker: Order. I believe the question is one which should be placed on the order paper.

CANADIAN CENTENNIAL

PROPOSED NATIONAL CONFERENCE ON POLITICAL EDUCATION

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, I should like to direct a question to the Secretary of State. Has the minister received a submission from the Canadian political council on youth asking for support in promoting a national conference on political education? I might say this idea is receiving a wide measure of support, and the program is one which is highly desirable. Has the minister replied to this request and, if so, is the reply favourable?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, a certain proposal did come in and was referred to the ad hoc committee, which rejected it and any support for it through public funds. The centennial commission, however, as part of the youth travel program has approved a grant if this program goes ahead. I have had the situation looked at by the citizenship branch to see whether they are prepared to make a grant in this regard. When further information is available I shall be glad to advise the house.

[*Translation*]

NORTHERN AFFAIRS

FROBISHER BAY—INQUIRY AS TO HOUSING PROGRAM

On the orders of the day:

Mr. Fernand-E. Leblanc (Laurier): Mr. Speaker, I should like to put a question to the Minister of Indian Affairs and Northern Development.

Does the department intend to carry on the intensive development program at Frobisher Bay by building this year some houses for Eskimos and government personnel?

There is some urgency, Mr. Speaker, on account of the short navigation period in those northern areas.

Mr. Speaker: I think just the same that this question should be put on the order paper, but if the hon. member feels that there is a real urgency, he could have it considered at the time of adjournment.

Supply—Energy, Mines and Resources

[*English*]

LABOUR CONDITIONS

VANCOUVER—REPORTED LAY-OFFS BY DRY DOCK COMPANY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the right hon. Prime Minister about a question I put to him on Monday as to whether he had received a telegram from the marine workers' and boilermakers' industrial union, local No. 1, Vancouver, in which it was claimed that the Burrard Dry Dock Company Limited was in the process of laying off some 350 of its 800 employees. Has the Prime Minister been able to activate any department of government to take some action in respect of this very serious situation?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think I received a note about this yesterday, but I do not seem to have it today. Perhaps my hon. friend will permit me to answer this question tomorrow.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

DEPARTMENT OF ENERGY, MINES AND RESOURCES

1. Departmental administration including the administration of the Explosives Act, and Canada's fee for membership in the Pan-American Institute of Geography and History, $4,315,000.

The Chairman: Hon. members can find vote No. 1 on page 78 of the blue book and the details at page 82.

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Chairman, the Department of Energy, Mines and Resources, conceived on December 17, 1965, when the Prime Minister announced an important redistribution of responsibilities among the departments, was born normally nine months later, on October 1, 1966, date of the proclamation of the Government Organization Act.

The estimates which I introduce today, and which relate to the needs of the department as far as staff, buildings, equipment, operating costs, etc. are concerned, therefore reflect the enthusiasm and the vitality, as well as the evolutive character, the future prospects, a philosopher would say, of a body less than one year old.

Mr. Chairman, I do not need to show the importance of the new department. When the reorganization took place, the most enlightened commentators did that. It is trite to say that scientific research, the optimum use of natural resources, particularly the power sources, are of fundamental importance to the economic development of Canada.

This young department counting, it is true, on the experience of one of its components, the former Department of Mines and Technical Surveys, has begun already to influence the economic policy of the Canadian government and to translate into administrative facts, programs and deeds, the aspirations and good intentions which brought about its creation.

[*English*]

Mr. Chairman, many debates and questions in this house have given me the impression that hon. members are not as much disposed to question the needs of my department's activities as they are to asking whether we are moving as quickly as possible in these vital fields of national concern. So I shall do my best today to demonstrate that this is so and to answer any other questions which hon. members might wish to raise.

At this point I should like to say a few words about each of the main sectors of my department, namely mines and geosciences, mineral development, water and energy. First of all, in respect of mines and geosciences, the principle objective of this sector is to keep up a high level of survey and research in mineral and geosciences so we can learn better the nation's potential mineral resources, provide industry with the data required for discovery, exploration and utilization of the nation's mineral deposits, assist in the planning and development of these resources and contribute to man's knowledge of the sciences of the earth and its contained minerals.

In developing resources the first requirement is good maps, and to this end we expect that the four mile mapping will be completed in this centennial year; that is four miles to the inch, as hon. members certainly know. We will then be able to devote all our attention to the specialized maps required to develop resources in various parts of the country. The reconnaissance geological study of Canada is progressing very well, and we expect that the initial mapping will be completed in about five years.

In astronomy, the new Queen Elizabeth II telescope and associated instruments on Mount Kobau are now in the advanced stage of planning, as is the associated institute of astronomy on the campus of the University of

British Columbia. I may give that in passing as an example of the co-operation that exists between the department and the universities of Canada.

Studies of gravity effects have always been important in geological studies, but it is now known that they have extreme importance for satellite investigations, and this particular aspect of the department's activity is being stepped up.

The department carries basic studies on metals, mineral processing and mineral extraction. Let me give you some illustrations of that work. The department is carrying out studies on the bacterial leaching of uranium ore, a method which has considerable promise for treating lower grade deposits in Canada and elsewhere.

Another example is the fundamental studies of the characteristics of rocks and how they break—matters of great importance to the mineral industry—that have recently been undertaken on a large scale at the research centre established at Elliot Lake. Studies have also been undertaken on the addition of small amounts of uranium and gold to alloys in an attempt to improve the characteristics of these alloys, by reducing corrosion, for example. The mines branch also operates a laboratory studying the effects of atmosphere on explosives. These are examples of the practical work which is being done in this sector of the department.

Special investigation of various instruments, their development and their improvement, is a continuing study in the department, including such things as tellurometers which have greatly speeded up our topographic mapping by providing a fast and precise way of measuring distances. For the benefit of those of you who wonder what a tellurometer is, it is a scientific device for measuring distances with great accuracy by using waves.

• (3:20 p.m.)

Remote sensing devices in the geophysical field have also greatly speeded up and improved the utility of aircraft for locating areas favourable for the occurrence of ore deposits. I might add as an aside that the department supplies research grants to universities, and these are designed to stimulate research and training in fields of concern to the department. The total amount for the department this year is in the order of $350,000 for research in mining, geological sciences, geophysics, astronomy, geography and surveys and mapping.

The mineral development sector has administrative and economic research responsibilities. For example, that sector issues exploration permits in respect of all minerals in offshore areas south of the sixtieth parallel and in Hudson bay and Hudson strait, as well as in respect of certain minerals in federal lands in the provinces.

Offshore exploration for petroleum continued to be active during 1966, both on the Atlantic and the Pacific coasts, with the various permit holders carrying out seismic and core-drilling surveys. Needless to say the acreage of offshore exploration permits is considerably greater than the petroleum exploration areas in the western provinces and has tremendous economic importance for the future.

As is well known, federal jurisdiction over offshore mineral resources has been contested by the provinces, and the adjudication of this question, at least with respect to the western coast, is now pending before the Supreme Court of Canada.

Along with these new tasks this sector, that is, the mineral development sector, is continuing and expanding studies in the fields of mineral economics, mineral commodities, energy resources, resource management, and mine assistance.

The same group also serves as the repository of mineral industry statistics and information. Its functions include acquiring first hand knowledge of mineral industry activity throughout Canada by on-site investigations, from exploration to marketing, and the publication of reports in this connection.

Activities of the group cover regional studies of the Atlantic provinces' mineral economy, including the Cape Breton coal situation; preparation of a digest of the mining laws of Canada; assessment of several mineral projects throughout Canada for which federal support has been requested; and finally participation in international minerals work through such agencies as the United Nations lead-zinc study group, the organization for economic co-operation and development, and the general agreement on tariffs and trade.

I might mention with regard to this last named institution that the department has taken part in the Kennedy round of negotiations which concluded on May 15, 1967. The results of these negotiations indicate that trade and competition in a wide range of products will be freer than ever before thus providing a country like Canada with larger markets and offering our economy broader

opportunities for expansion, not only in the field of raw materials but also for industrial products. All this does not necessarily mean that a fabulous bonanza is to be envisaged for all Canadian mineral producers, but the lowering or elimination of several tariffs can be viewed as a healthy development with long-range benefits for our country.

The mineral development group has also the task of co-ordinating, for the external aid office, education and training programs for mineral scientists, technologists and economists brought to Canada under the various aid programs, and of advising on mineral projects undertaken by Canada as an aid to developing countries. Other responsibilities of the group include the administration of the Emergency Gold Mining Assistance Act, the administration of the roads to resources program, and advice on legislation and tax matters concerning the mineral industry.

Mr. Barnett: Mr. Chairman, before the minister starts on the next section of his report, could he tell us whether he has any information when the supreme court decision with respect to offshore mineral resources is likely to be handed down?

Mr. Pepin: I cannot give an answer offhand but I expect to receive a note from my advisers in the next few minutes.

[*Translation*]

Mr. Chairman, the third sector is that of hydrology.

I need not, I am sure, insist on the importance of water for the economic life and even cultural life of our country. Everyone is aware of the many domestic and industrial uses of water.

Canada has been bountifully provided with water—Providence must be thanked for that —but that does not mean that we have no problems. Indeed, we have several of them: floods, droughts, pollution, conflicts between users, utilization of tidal waters, etc.

My department has been entrusted the task of developing, of defining a national water policy, the task of co-ordinating the federal responsibilities in this field, of improving through research our understanding of hydrological problems, and that of co-operating with the provinces in this field of research as well as in the implementation of programs of general interest.

Federal-provincial co-operation is essential, Mr. Chairman. Assuredly, the main jurisdiction in hydrology is provincial; still, the federal government, because of its responsibilities in other spheres, namely fisheries transport, trade, defence, public works of interest to more than one province; in those of international relations, agriculture and what not, has obvious responsibilities in this field.

When dealing with water, we are therefore touching upon a field where federal and provincial jurisdictions are shared, where they inevitably overlap. Consequently, federal-provincial co-operation is indispensable.

If the water level of the great lakes drops or if their waters become more polluted, Ontario is not the only province to suffer; Quebec is also affected, for the St. Lawrence is, in a way, its main street.

Therefore, a good Canadian water policy necessarily requires the co-ordination of federal and provincial policies in this field, and even concerted action in many cases.

With the enthusiastic support of my officials, Mr. Chairman, I have tried, since coming to office, to improve the co-operation between the central government and the provinces in this field. For example, our participation in the International Water for Peace Conference held in Washington, with regard to both personnel and the exhibition which took place within the scope of the conference, was really a joint federal and provincial contribution. The future will show the progress that was made.

Mr. Chairman, in my opinion a department or branch of a department, to be successful, must have good personnel, a good administrative structure, good legislation, a good research division and good relations with the outside, with the other departments, other levels of government, industry and the public. That is what we have tried to accomplish with regard to hydrology. We have tried to equip ourselves in each of those fields.

A few words, for example, concerning administration. The department had inherited the water resources branch from the department of northern affairs and national resources. It had also inherited the hydraulic research branch and the marine sciences branch from the department of mines and technical surveys. These three elements have been grouped and reinforced and have become the hydrology services, which will now comprise three branches.

First, the inland water branch, second, the marine science branch and, third, the policy and planning branch.

We have hired and continue to hire staff as quickly as the financial resources of the government and of the department will allow us, as well as the human resources of the country. Today's estimates will help us meet our requirements.

In the legislative field, we hope to introduce this fall, the Canadian waters act, whose main purposes would be to promote co-ordination between federal departments as well as a concerted action with the provinces. In this connection, we have consulted with the provinces, and we shall continue to do so, in order to introduce to the house a piece of legislation that will be acceptable by the greatest possible number of people.

• (3:30 p.m.)

[*English*]

A basic requirement to national water policies and programs, Mr. Chairman, to the establishment of guides and priorities for action and to the development of specific programs, is a Canadian water inventory of supply and demand of water. There have been people asking me or asking the department, will we or will we not export water to the United States, should we provide for the diversion of rivers from area to area? My answer is always the same. I do not know what we are going to do on the subject of export of water to the U.S., but one thing is absolutely certain. Our present responsibility is to find out as precisely as possible how much water we have and as precisely as possible also how much water we are going to need. I feel this is the main responsibility of the water sector at this time, and that responsibility we are going to fulfil as well as we can.

On the supply side of the inventory, we are rapidly expanding our network of stations to obtain data on water quantities, water levels and water quality. Most stream flow gauging stations are operated in co-operation with the provinces, with the provinces paying 50 per cent of the construction costs and a portion of the operating costs. There are now 2,285 of these operating in Canada, that is, gauging stations. There are now also 124 tide gauging stations, 168 water quality stations and a network of ground water and sediment stations. The estimates provide for a considerable expansion of all this network. So you see, Mr. Chairman, by getting this program working we should, within a minimum of time, obtain a good assessment of water supply and water quality.

In so far as water demand is concerned, this is the other side of the picture. Our information on existing demand and potential demand for water in various basins and regions is inadequate for sound policy formation and planning. With the formation of the policy and planning branch in the water sector, studies are planned in co-operation with the provinces to develop and carry out this part of the inventory. Work will be under way soon.

In addition to good personnel, a good administrative structure, good legislation and a good inventory, Mr. Chairman, we also need good research on water in order to provide scientific and technical insights on which to carry out programs. This is particularly true, in my opinion, when we are dealing with the great lakes. The International Joint Commission has fairly recently given us an interim report on the deplorable situation of pollution in lakes Ontario and Erie. In order to cope with the situation, therefore, we are coming up with a major new interdisciplinary water research centre which is going to be called the Canada Centre for Inland Waters at Burlington on lake Ontario, near Hamilton. This centre will provide answers to some of the management problems of the great lakes, and at the same time will provide technical support to water pollution abatement programs throughout Canada. In due course, the research station at Burlington will be useful to both federal and provincial institutions. The estimates provide for a start on building this vital research centre.

The fact that we are busy setting up conditions for action does not mean we are not doing anything. Walking is still the best way to learn how to walk. Although involved in these preparations, the department has been very active and has been doing things. I should like to give some examples of the things we have been doing. We are continuing joint programs in Ontario and British Columbia under the Canada Water Conservation Assistance Act. We now have under way new joint studies and working arrangements in both provinces.

In addition, we are undertaking with Ontario a study of northern Ontario waters. We are completing the Winnipeg floodway program and we are negotiating with British Columbia a joint program for flood abatement in the lower Fraser Valley. We hope shortly to join with the three prairie provinces in a major water supply study in the Saskatchewan-Nelson system. We will be stepping up our federal-provincial programs as fast as the required legislation, institutional arrangements and staff can be supplied. We are thus

moving on a number of fronts to meet our new responsibilities to evolve a sound national water program. I used the word "evolve" but I do not like it much. I think we have a national water policy. It may not be as good as every one of us would like it to be, but we have one and we should improve it to make it as comprehensive as possible.

I should like now to say a word about oceanography. Members know that the continental shelf and surrounding oceans have great importance to Canada. It is estimated that about one quarter of Canada's land area lies beneath the ocean. We are developing a strong competence to study and know the continental shelf and oceans surrounding our shores. Recently I visited the Bedford Institute and was very much impressed with the work done there. This knowledge is being employed and will be increasingly employed in support of exploration and development which will have an important impact on the economy of our maritime regions as well as the entire country.

I come now to the fourth sector of the department, the energy sector. The organization of this particular group is not as advanced as the water sector group. Like everyone else, we had to establish priorities. The Public Service Commission has been searching for some time for a possible person to appoint to the position of assistant deputy minister of energy. I hope the appointment will not be delayed too long.

The energy sector is to be responsible for the development of energy policies at the national level. Organizational planning has been based on full recognition of the continuing important contribution to be made in this field by the several crown companies and agencies concerned which are accountable to the house through the Minister of Energy, Mines and Resources. This sector of the new department will assist in the co-ordination of policy advice which is prepared for me in these several agencies. I might mention, however, that there have already been some considerable accomplishments in this field during the brief lifetime of the new department.

Hon. members have been informed of the creation of the Bay of Fundy tidal power programming board, with the initiative of this department. This is a joint venture of the New Brunswick, Nova Scotia and Canadian governments to try to find a feasible, economic and engineering basis for the development of the tremendous resources of tidal power which are matched nowhere else in the world.

[Mr. Pepin.]

My department has also picked up the question of a trans-Canada grid for electrical transmission. A federal-provincial committee has met on several occasions and obtained reports from private consultants. I am hoping that the several interested governments will receive a report from this committee in the not too distant future.

• (3:40 p.m.)

Hon. members have been informed on successive occasions of plans for the development on a large scale of the hydroelectrical potential of the Nelson River in northern Manitoba. I expect to make an announcement in the very near future respecting the conclusion of an agreement with the province of Manitoba to this end.

I have tried, Mr. Chairman, to indicate throughout my speech the responsibilities, the realizations and the potentialities of the new Department of Energy, Mines and Resources. However, I should like to point out again that the nucleus of this young department is the former department of mines and technical surveys, with its long experience in research and development as applied to the mineral resources of Canada. This technical skill will remain as the central core of the new department, and we are building around it the special skills we require for developing national policies related to our natural resources. The great advantage we now have is the technical and scientific skilled personnel who are working hand in hand with the specialists who are developing ideas and plans for the national programs. Quite often they are the same people.

Government expenditure on research is growing, and growing rapidly, as it should. The research arm of this department is carrying out investigations directly related to the economic development of the country, and over the years their pay-off has already been substantial. May I indicate two examples. The old maps of the geological survey of the area at Elliot Lake were the basis for development of the whole Elliot Lake uranium project. The processes for extracting the metals from the ores were developed at the mines branch. As another example, our geographers provided the basic information for ARDA and are providing specialized information for E.M.O. Our topographers have made available maps and air photographs required for the assessment and study of our resources.

In general, Mr. Chairman, I think it is right to say that mines and technical surveys, the old department, had been mostly concerned

with providing the basic data for industry, for other branches of government, for other levels of government, in order to bring about the maximum resource development in the country. The new Department of Energy, Mines and Resources will, of course, go on doing that but it will do still more. It will be more involved in the development of basic governmental policies and the development of programs in order to bring about maximum use of these resources, and over a much wider area than that covered by the previous department. I hope that these policies will meet with the approval of members of this house.

Mr. Hamilton: Mr. Chairman, I think the report of the minister is a tribute to his department. Personally I had hoped that we would hear something of the minister's own views on this very important department over which he presides. In my judgment there is no department of the government that is more important to the present and future development of Canada than the Department of Energy, Mines and Resources. It can be described as a Cinderella department, and any ambitious young politician who wants to do great things for this country could ask for no higher task than to have in his possession the portfolio that the minister holds.

Just about a year ago, Mr. Chairman, when the bill to reorganize the various departments of government came up for discussion, it was a Conservative proposal that gave the minister the powers he needed to move forward and to take initiative on his own. The minister is quite correct when he says that the old department of mines and technical surveys fulfilled the function of supplying information to all departments of government, and over the years it has done a wonderful job. I have said this before and I repeat it. The men who manned this department were scientific personnel, the type of personnel who are the eyes and ears of the future of Canada.

Today we waited for the views of the minister. One year ago when the reorganization bill was before us, with the co-operation of the opposition the bill was put through in the minister's absence. I asked the minister presiding over the bill certain questions. Because they covered matters which are so important I am going to repeat them today. The minister has apparently not had his attention directed to the suggestions that were made, even though we had a firm commitment from the Minister of National Revenue that they would be.

I should like to quote from page 5784 of *Hansard* for May 31, 1966, where I am reported as follows:

We should like to know what is the minister's policy in relation to the national oil policy on such questions as (a) setting annual targets to industry. We have not had a statement from the minister on this subject for two years now. Then, (b), what is the attitude of the minister toward building a refinery at Quebec, which negates the background of the whole national oil policy? (c) What is his policy on the second oil pipe line to Montreal? (d) What is his attitude toward oil and gas regulations in the north? (e) What are his attitudes with regard to the oil and gas regulations on the continental shelf which are now in existence? These are matters, Mr. Chairman, vital to the whole future of Canada, and we must have a clearcut statement from the minister so that we know where we are going.

The second major question which I want to put before the commitee for the minister to discuss when he makes his statement deals wth the national energy policy. We should like from the minister some statement (a) as to the relations he foresees between the Federal Power Commission of the United States and the National Energy Board of Canada. There is obviously trouble brewing on this front unless there is a clearcut policy to avoid the difficulties ahead. Then, (b) we also want from the new minister a statement on the national transmission grid, which is vital to the whole concept of sovereignty and using our energy as a basic part of strengthening our bargaining power in the field of resource use on the continent. (c) We shcu'd like a statement from the minister with regard to the relationship between atomic power and hydro reserves in Canada. (d) We should like projections on what the minister foresees is the energy demand for new industrial complexes in Canada during the next 20 to 30 years.

The third subject, Mr. Chairman, deals with water policy. (a) We desperately need something which has been recommended since 1962, and that is a study on the suply of water in Canada.

The minister mentioned something about this and I will come back to it.

I can go into detail on this, but that is sufficient to indicate the subject. (b) Even more importantly, we need a study of the demand.

The minister also mentioned this today and I will come back to it too.

If we have to use United States figures and translate them into figures showing Canadian use, this is a little embarrassing when we are trying to estimate our demand for water. Before we can discuss water intelligently we have to know the supply and demand picture. Then, (c), we should like from the minister officially in his new capacity a statement on the NAWPA plan which the United States has proposed and has been pushing on the legislators of this country in private sessions. And, (d), we should like a statement from the minister on the Kiernan plan proposed by a Canadian engineer. We should like the direction of the minister on these subjects.

There, Mr. Chairman, is a list of about 12 subjects, on two of which we got partial answers today. You can understand the deep

distress of those of us who had something to do with first giving Canada an awareness that our future depends upon the development of the resources of this country in a rational and logical manner.

• (3:50 p.m.)

The Conservative party formed the government in June, 1957. I became a minister on August 22, 1957. On February 12, 1958 the government announced a development policy for Canada. It took us about eight months to prepare what this government has been unable to prepare in four years. This is a matter most vital to the whole future of this country. It is the basis for the future jobs of unborn generations. We have had a report about what a fine job the department is doing. I accept that and I praise it wholeheartedly. But where does the minister stand? I remind the minister that when the bill was passed it was the Conservatives on this side of the house who proposed the amendment to the bill which gave him some power. These are the terms of the amendment which was introduced on behalf of the government by the Minister of National Revenue:

8B(1) In carrying out his responsibilities under Section 8A, the minister may formulate plans for the conservation, development and use of the resources specified in that section and for research with respect thereto, and with authority of the governor in council and in co-operation with other departments, branches and agencies of the government of Canada, provide for carrying out such plans.

We wanted to hear about such plans, but what have we heard? Continuing:

(2) The minister may co-operate with the provinces and with municipalities in formulating and carrying out any plans under subsection (1).

Today we heard a little about this in regard to the Saskatchewan-Nelson system and one or two others. We started these projects but they are still in the planning stage. It continues:

(3) In carrying out his duties and functions under this section, the minister may consult with and inaugurate conferences of representatives of producers, industry, the universities, labour and provincial and municipal authorities.

These amendments were accepted by the government. Their purpose was to give the minister some power or to create some means by which the minister could use the initiative of the federal government to build this nation. One and a half years later what do we hear about these plans? Very little. There have been studies about this and about that.

[Mr. Hamilton.]

I remind the committee about some things that are well known but about which we have to remind ourselves on every occasion. We live on this continent with the great United States of America. They also conduct studies. I hold in my hand the five volumes of the Paley report of 1952 which warned the president of the United States of that day that the United States was running short of strategic items to maintain its industrial complex. Every one of the shortages that the report warned would exist between 1952 and 1980 represented an opportunity for Canada. Because of this report the Conservative government in 1957-58 was able to come up, at short notice, with a national development plan to take advantage of the opportunities for Canadians. Since then a more sophisticated report in the United States has been made, known as "Resources in America's Future". The subheading is: "Patterns of Requirements and Availabilities." The authors are Hans Landsberg and others. The report deals with projected needs from 1960 to the year 2000. The projections, which are maximum, minimum and average, show all the possibilities that may happen to forestry, water resources, minerals, and what have you. The United States knows what it is short of and what it must do to meet its needs.

On the other side of the ledger, what has been done in Canada? The only substantial action we have taken was to hold a conference in Montreal in 1961, known as the Resources for Tomorrow conference. I hold in my hand the first of the four volumes of the report which points the way that the government must follow. There is no lack of suggestions in these four volumes about what we must do to preserve and better utilize our renewable resources. The conference was very general in its outlook but it did point out objectives.

In sheer desperation the people in the private sector tried to bring about some sort of analysis of Canada's resources. I hold in my hand a book entitled: "Canada: An Appraisal Of its Needs And Resources". It is written by Canadians, by George W. Wilson, Gordon and Judek. These professors, helped by grants, put out a timid, gentle little appraisal which went up to the year 1975, eight years from now. These men performed a task that should have been performed long ago in Canada. Their timid, gentle approach to our needs only points out the urgency of doing something to carry out the suggestions made by the Resources for Tomorrow conference.

I intend to propose two ways in which we can act, and I put forward my propositions in the way I do for the simple reason that I have grave doubts that the government intends to act.

Private enterprise has ample reason to wish to know what the future is for its products. Private enterprise in the United States uses the Landsberg volume to guide it in its projections, as do one or two companies in Canada also. This is my proposal. In the amendments that were included in the bill of last year the minister was given certain powers. Why do we not ask private enterprise, which makes money out of our resources, to conduct research in this field? Perhaps a group of companies could to it. The Conservative government amended the Income Tax Act to allow any group of companies or an individual a 150 per cent exemption on income tax for research—not a 100 per cent exemption for the expenses for this type of research work but 150 per cent. Second, we amended the Combines Investigation Act to allow companies to combine legally if they did so for research purposes. With the amendments to the Combines Investigation Act there is no reason for the minister, in using his responsibilities as a minister of the crown acting on behalf of the people of Canada, not to call groups of our private companies or enterprises together to ask them to do this research work which is so financially advantageous to them.

The private sector need not deal with the water segment of research; it need only take the commodity segment. It could take the Gordon commission report of 1957 as a starting point. It is true that that report is seven or eight years out of date, but it is a starting point. It could be used in conjunction with the Wilson-Gordon book which gives projections up to the year 1975 A.D. Even if the studies are considerably in error, even if they are followed by more sophisticated studies later, if they could include optimum projections varying from the most pessimistic to the most optimistic, they would be of great help.

In saying these words I have in mind an example about which I have spoken in this house before. In 1958 when I was the minister responsible for resources I realized that within seven or eight years, if we did not develop more zinc and lead production in western Canada, we would be forced to import lead and zinc into western Canada. Here we were, a nation with bountiful lead and zinc resources, and private enterprise was not meeting its responsibilities. Apparently our boards of directors could look ahead only for a couple of years. If some of them look ahead for five years they think they are being bold and imaginative.

The government did not fail in its responsibilities. We were the ones who put up the guarantee for Canadian National Railways to build a railway to Great Slave Lake. Today there is a mining operation there, which means we need no longer import lead and zinc into western Canada. Not only are we earning exchange dollars for our country but we have added tremendously to the wealth of this nation. The C.N.R. will get all its money back and receive a profit on the money it borrowed. The company which developed the mine will be paying taxes to the federal treasury next year at the rate, I would expect, of between $12 million and $15 million a year. When you show initiative, when you show you know what you are talking about, when you can push private enterprise into making money and when the treasury will get $15 million a year without spending a nickel, that is good, dynamic government. The word "dynamic" does not describe the present government. If private enterprise will not give us the required commodity output even though it is in its own interest to do so, then the government will have to induce or push them into action.

• (4:00 p.m.)

It is not just an inventory of our resources which is needed. We need a projection of the demand and a projection of the supply in relation to every commodity. Canada undoubtedly is a resource nation and will continue to be one for many years to come. But though we have been a resource nation from the very beginning, there has never been developed in this country a resource philosophy which dominates the thinking of ministers of finance, which dominates the thinking of governments. If our future depends on the use made of these resources, then the whole organization of tax laws should be orientated to this end. Agriculture is one of our great resources. But there has never been a clearcut understanding in Canada by ministers or by governments of the fact that agriculture is not just an orphan to whom a few crumbs are thrown every so often but an important source of wealth which should be so planned and used as to bring the maximum return to our people and serve the world as a result of the ability of our land to produce.

The same is true of our mining industry. We look on it as a means of raising taxes, providing a certain amount of employment

and bringing in a certain number of dollars in foreign exchange. We do not look on it as a vital part of the whole economic structure of our country. Our economists use the great ideas of Lord Keynes. Lord Keynes developed a system of economics designed to suit a homogenous, integrated country such as the United Kingdom, a country which was an exporter of manufactured goods and an importer of raw materials. He developed this economic system as a means of avoiding the ups and downs of the economic cycle. We in Canada have transferred this doctrine to our own country without taking account of the fact that Canada is not a homogenous or even an integrated country. We are a country of regions. We are not a sophisticated, mature industrialized country yet. Nevertheless our policies at the national level assume we are all in the same boat. We are not. So if we find two provinces threatened with inflation and eight provinces stagnating, we seek to cure the inflation in two provinces by imposing the same restrictions on the whole country, whether all parts need it or not.

The whole concept of fiscal, monetary and trade policies fails because governments have failed to accept our need for a resource philosophy. What percentage of our resources should we sell abroad in our best interest? What percentage should we process in Canada in our best interest? Certainly we cannot process them all. This is what I mean by a resource philosophy. It must be apparent from the actions of every minister that he understands it. That is the test. Having sat in this house for four years waiting for some sort of leadership, I confess I am at a loss to find evidence of any. The 60 days of decision petered out into stagnation. Then we saw the reorganization of the government. I can honestly say of the present government that they are great at setting up structures. We have heard more structures described to us today than I have heard in this house in ten years. They are great at setting up structures but are wholly lacking when it comes to action. They fail to realize that when a structure is set up there has to be a brain, there has to be a will at the head of that structure, someone who can think and act. This is what is lacking. The government sets up beautiful structures and mans them with the most competent people they can find. But they lack the brain; they lack the will at the top. They are like a leaderless group. All I can say is: dear Lord, how long must we endure?

[Mr. Hamilton.]

I am glad the minister has accepted the fact that we need to study the extent of our water resources. I suppose the best figures we have are those produced by the Resources for Tomorrow conference in 1961. When I hear the minister talking about the need for water it occurs to me that it is important to know not only the extent of the supply but the extent of the demand both now and in the future. I often wonder whether he has referred to the article by Mr. D. Cass-Beggs in volume 1 of the conference background papers. On page 184 appears an estimate of annual water consumption in the principal regions of Canada. The author notes that in 1956 consumption of water in Canada amounted to 10 million acre feet in round figures. He predicts that by 1990 it will have risen to 56 million acre feet.

Why talk in generalities when here is a person who has done the projection? I admit the author had to make his projection by interpolating United States figures. But it appears we have a projection for an increase in water consumption from 10 million acre feet in 1956 to 56 million acre feet in 1990. Whether these figures are entirely accurate or not is beside the point. They are something we can talk about. With all this talk about water, I wish the minister would be a little more definite. Otherwise he may frighten the Canadian people half to death. How much water have we got to meet the expected demand?

The water resources branch of the government has tabulated our river flows and arrived at a total of 2.5 million feet per second based on minimum flows. This works out to 1,620 billion United States gallons of water a day. Translate this into acre feet and we have an indication of our capacity. As a rough yardstick of comparison let us compare our situation with that in the United States. If we have 1,620 billion gallons a day, they have about 650 billion gallons. I should make it clear that the estimate of 650 billion gallons is based on flows of realizable water from surface waters in the United States. Let us take our figure of 1,620 billion gallons a day and reduce it by half. Then consider that today in Canada we are using 10 billion or 12 billion gallons of water a day. We have 800 billion gallons a day to meet that demand. So there is no need for the Canadian people to be terrified for a few years yet.

• (4:10 p.m.)

Naturally we are not likely to give this water away. What attitude was taken by ministers of the crown while Canadians were being assaulted during the last two years by requests from the United States for water. Incidentally, I am glad to hear that these have now been abandoned. Where were the ministers of the crown to defend the Canadian interest by telling the Canadian people and the American people what the United States authorities were asking? They were asking for 120 million acre feet a year under the NAWPA plan. What is the value of an acre foot of water? To my knowledge only one quantitive study has been made. It appears in the Landsberg report at page 385, and is dated 1963. It is estimated with regard to New Mexico, a completely water deficient area:

> —an acre-foot of water used for municipal and industrial purposes engendered over $3,000 of total economic product (a combination of primary value-added and value-added by purchases).

If you want to put this into a simple phrase, the value of an acre foot of water for municipal and industrial purposes is $3,000 a year. The report continued:

> For recreation the range was from $200 to $300 and for agriculture the range was from $40 to $50.

Thus, an acre foot of water is worth over $3,000 a year in industrial production. Yet the Americans had the colossal gall to come to us and ask for 120 million acre feet a year. Let us forget about the recreational and agricultural values for a moment. One hundred and twenty million times $3,000 is $360 billion a year. This is what the Americans were asking. This shows how generous some people can be with other people's wealth. I never heard a minister of the crown give these figures to a Canadian audience or to an American audience. It is the duty of a minister to defend, and to point out the facts so that the Canadian people will not be robbed of their heritage.

There are many questions I would like to ask and the 12 points I listed a year ago still remain unanswered. I have read the reports of the standing committee which met last year when the new department was being formed, and I have many questions to ask on energy and all these other matters but time does not allow. I would think this committee might be well advised, in view of the importance of the department with which we are dealing, to ask all the questions that should be asked, and to do this we need a longer day than a Wednesday. We in the opposition are allowed an hour and a half to make a few comments and ask questions about this department upon which so much depends. I hope the sense of responsibility of the minister will be such that he will go to his house leader and ask that the committee get another chance to deal with the estimates of his department.

Mr. Pepin: Mr. Chairman, I am told that the committee might resume tomorrow. I agree with the hon. member that I did not answer all his questions but my introductory remarks were related to the estimates of the department. I will deal with some of his questions when we reach the National Energy Board estimates.

Mr. Martin (Timmins): Mr. Chairman, first of all I would like to pay a very hearty compliment to the hon. member for Qu'Appelle on the excellent speech he has just made. I might take advantage of an inadvertent slip of the tongue on his part when he mentioned a leadership mob to say that his speech should give him a good start.

As was mentioned by the hon. member we should have much more time to deal with this most important department of government. But since we do not I will confine my remarks to one particular policy of the minister and the government.

I wish to protest against a government policy which has brought a certain situation in Canada to a crisis stage. This policy might best be described as fawning, craven subservience and, at the worst, possibly a clandestine conspiracy. Of course, Mr. Chairman, I am speaking about the government's policy or lack of policy with regard to a vital resource and industrial lifeline of Canada, natural gas and gas pipe lines and the vacillating of the government in that regard.

I do not want to go into the pros and cons of the north line versus the south line. This question has been debated at great length in the house without much change in opinions or positions on either side, but I think it would be worth while to review briefly just what has caused the present situation. To do this I have to go back ten years when a policy was being determined in this field by the House of Commons. at that time we had a very strong policy. Whatever else may be said about the late C. D. Howe and his cohorts, nobody at that time denied the strength of their policies when they decided on them. Indeed, many people who were familiar with the situation in those days must now wonder that we can look back on that Liberal government and

realize it was much better than the one we have at present.

That government laid down a policy that natural gas must be transported over a Canadian route, that it must supply Canadian needs and, above all, that it would remain in the control of the Canadian government and the Canadian people. At that time the government of Ontario also played an active part by insisting, at least to the extent of its ability, that the pipe line should go through Canada and, second, that it should go through northern Canada in order to develop northern Ontario.

Mr. Pepin: Would the hon. member kindly indicate to me where the government of Ontario insisted on the line being in Canada, and where in Canada?

Mr. Martin (Timmins): I have documents that stack about a foot high which I can let the minister see, but from memory I recall that the government of Ontario of that day came out publicly and strongly indicating its desire and insistence that this was what should be done.

Mr. Pepin: Oh, the hon. member was not referring to the present situation?

Mr. Martin (Timmins): No, I am referring to the situation ten years ago.

Mr. Pepin: I apologize.

Mr. Martin (Timmins): It was the government of Hon. Leslie Frost at that time. What did we see happen after a few years went by? First of all we had the National Energy Board meekly and mildly warning about the developing shortage of natural gas in eastern markets. Unfortunately that is about the only role the National Energy Board is empowered to play, to warn meekly and mildly, and to issue licences when people make applications.

For reasons which became only too apparent later, Trans-Canada Pipe Lines deliberately ignored the growing shortage in eastern markets. There was an ignoring or unawareness on the part of the present government of the situation that was developing. I do not care which it was. Both are a condemnation of a government that is supposed to have the interests of the country at heart.

Finally we had the blackmail attempt by Trans-Canada to rush everything through at a moment's notice in order to enable them to have their cake and eat it too. Then we saw the first reaction of the government, the only good reaction I can recall it having in the past four years, but unfortunately the reaction lasted for only five weeks. The government was unable to resist the pressures brought to bear on it and did an about-face. But it lapsed once more into its familiar role of vacillation, the role of the innocent and helpless bystander, the role of a meek observer of vital decisions having far reaching effects on the country it was elected to protect.

• (4:20 p.m.)

The government said, "Let Trans-Canada decide, let the federal power commission decide, let anybody decide so long as we do not have to make a decision as to what we should do." Unfortunately the minister was the epitome of this tragedy of government on the unhappy day when, in reply to a question as to when we might expect a decision, he rose, shrugged his shoulders and said, "I wish we knew". In fairness to the Ontario government I should say that they had a death-bed repentance. Finally, after bitter debates arose in this house and across northern Ontario and Queens Park, they stirred themselves to raise their voice along with others and decided to make an intervention with regard to this problem.

I say we have had enough delay in respect of this matter. If we look at the *Globe and Mail* of May 25 last we will see the following in a big write-up about this situation:

> Testifying before the commission last month, N. John McNeill, Trans-Canada vice-president, indicated that the company would require a decision on its application for certification of the Great Lakes project by the end of May.
>
> In the event no decision was forthcoming by that time, or the ruling was unfavourable, Trans-Canada would have no alternative but to proceed with its plan to loop sections of its existing line east of Winnipeg to assure the supply of additional gas for Ontario and Quebec next winter.
>
> Panhandle's application for renewed hearings of the Great Lakes scheme may well be rejected by the commission but such a ruling by the F.P.C. would almost certainly be cited by the company as one of its grounds for challenging the legality of any F.P.C. decision in favour of Great Lakes if Panhandle resolves to take it to the courts.

This situation certainly should be clear to anyone who is interested in this matter and who has followed it through the newspapers over the past year. Everyone should have been able to realize that no decision could be made by the end of May. We see now that no decision was made by the end of May. Today, in the middle of June, still no decision has been made. The crisis is growing. The markets are getting shorter and shorter.

In yesterday's *Globe and Mail* we find further comment on this same subject. From an

article by Bruce Macdonald I read the following:

> The decision by the Federal Power Commission on Trans-Canada Pipe Line Ltd's proposal for a new natural gas line to eastern Canada via the United States—expected this week—may confront the troubled company with yet another dilemma.
>
> There appears to be a reasonable possibility that the application on behalf of Great Lakes Transmission Co. may be approved with an important condition attached deleting all the current provisions for net export in the United States, which in turn would raise important questions about the economic feasibility of the entire project.

The final paragraph reads as follows:

> Given these circumstances, Trans-Canada might find itself forced either to scale down the 34-inch line it had originally planned to build through the United States or to abandon the southern link altogether in favour of looping the existing Canadian line east of Winnipeg.

This points out in an all too startling and clear manner just what a tremendous hoax has been played on this government over the past year and a half. They reversed a decision on the basis of a comparison that was made at that time and now, a year and a half later, we find that the facts and circumstances given at that time had no relation to the actual situation. It was all part and parcel, as I said, of a blackmail attempt to stampede this government into making an agreement which would benefit one particular company and neglect the interests of the Canadian people almost from coast to coast.

I do not know whether it is necessary to repeat the reasons for the necessity for action to be taken immediately with regard to this burning problem. Certainly, however, this has been pointed out to us almost daily in our newspapers. The government and the country are being reminded of the desperate and growing need for gas in eastern Canada so that the industries we have already built up will continue to operate. Unless immediate action is taken there will be a curtailment of work and production because we have vacillated, waited, played silly games and have done everything except what we should be doing.

There is no need to repeat again that a building boom would generate all along the course of the twin pipe line. I do not care particularly whether Trans-Canada follows the present line, which probably would be the quickest and least expensive way to get gas to the east, or whether it follows the other proposed line roughly along the route of highway 17. I believe that the building of that line would be in the best interests of Canada as a whole because it would open up another vast region of what is potentially the richest part of Canada.

I might remind the government again of the industrial potential that the line would bring to the affected areas. The government pays lip service to looking after the north and is prepared to put people on welfare and declare designated areas and regions. But when there is something which would build up the country they vacillate for four years when they should have been doing something. Most important of all, if we proceed and proceed now to keep this vital resource carrier in this country, we will at least maintain the ability to make Canadian policy in Canada rather than place ourselves at the whims of a foreign body in a foreign country. Surely the lessons of the past year should have been sufficient to prevent us placing ourselves in this very vulnerable position.

So, Mr. Chairman, I say we have had enough procrastination; we have played enough games. The government should instruct the National Energy Board not later than next Monday to grant this licence and get on with this job which we have delayed far too long.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I should like to say a few words about natural resources, research and technical surveys.

I congratulate the minister for his good work and for the speech he made; I would like also to tell how impressed we were with the wonderful account of the situation given to us by the hon. member for Qu'Appelle (Mr. Hamilton).

Personally, I am not qualified to go into the details, but I should like to deal only with the principle of the organization and make my views known with regard to the development of our Canadian resources.

Our natural wealth and the development of our resources are a primary factor in our economy. If we want to develop our economy, we must also develop our resources. Therefore, our resources are one of the primary factors if we want to have a developed economy, a substantial economy, in short an economy which will be useful to the people. From the cultural and research points of view, developments must go hand in hand with technological advances. We need all those developments and mainly water supply.

As the minister stated earlier, Canada is blessed with ample water for its population, but a lot of work and research must be undertaken in cities and adjoining areas affected

by water pollution. There is a lot of room for improvement, for although Canada is not densely populated, its waters are polluted. Again, we must undertake a great deal of research and make substantial capital investments if we are to develop our water resources which constitute, in my opinion, one of the main factors of the economy of the whole country.

As the minister has told us, we need a national water policy, and I agree with him one hundred per cent. We need a definite policy, we must know what we want, where we are going and what we intend to do in order to make the necessary reforms and purify our water resources.

We know that great improvements must be made and a great deal of capital invested.

With regard to all these developments, mineral and others, we need to develop our resources and undertake the necessary research in all parts of Canada. All regions must benefit by this research and each one of them should be developed if possible.

• (4:30 p.m.)

There are older areas, as the eastern townships, for instance, which have been in existence for hundreds of years and where there never has been any research made as far as minerals are concerned. There are quantities of deposits there and we are told that certain private sectors are trying to operate very rich mines which would be most useful to the people and to the world, but we lack what is required to develop them. The first step is bringing out the ore, but due to lack of capital, the mines have to be closed. It has been tried in several areas, but all have given up. Mines which are said to be very rich and which held all kinds of ores have been abandoned and closed down for lack of capital. Nothing can be done without capital. I know the estimates of the Department of Energy, Mines and Resources are rather high, I think they are approximately $110 million. It is a lot for our present capabilities but it is not enough. We will never do enough for the economic development of our riches. We must do more than that, but we do not have the financial means to do so. Therefore, something should be done from the financial point of view.

The minister said earlier that, in co-operation with the provinces, we could develop all kinds of fields, undertake all kinds of research. That is our opinion, and that of the provinces, I think. All the provinces do not have the capital needed to do that, to support the federal government in those developments.

We know how much the Canadian citizens are paying in taxes at the present time to develop something and to support that economic plan. We cannot pay more taxes and deficits follow: at the federal, provincial and municipal levels, in school boards, private industry, everywhere. We have touched bottom everywhere.

Although that does not come under the minister's jurisdiction, he should study the financial situation a little. I think that all hon. members in general should try to find a way to finance those developments. If that is physically possible why should it not be financially possible?

Our country is rich with engineers, technicians, scientists and they are all able to make further developments, to undertake great developments, to set up large businesses in Canada, but we do not have the financial means to do so. Therefore, I think that it is our duty to try and find those finances to do it.

If interest rates are too high, let us bring them down. Sacrifices do not have to be made always by the same people. It is not always the turn of the people, the little people, to pay taxes, interests, to reimburse war debts, debts for this or for that.

Now, I say that if this is physically possible, let it be made financially possible. It is easier to make all this financially possible than to render the developments possible.

Developments are possible as long as we have scientists, experts, and the required technology. If we have all that, if we have the required men and if those men are able to undertake something else, well, let the financial field be organized accordingly. We can accomplish what the people of Canada are looking for and give the country what it is entitled to have. Further, we owe it to ourselves to give assistance to other countries.

We have all the natural resources to do so. We have all sorts of unexploited natural resources which could be developed, but we cannot develop them because we do not have the necessary capital.

Well, all hon. members should, once for all, get it into their heads that it is easy to finance any project, as long as we have the necessary men and materials. It is easy to undertake

any technical, psychological and ideological development in the country, as long as we have the necessary men and materials. Why not? Why should finance not be the reality of good things, of wonderful developments to be brought about in a country? We could give the whole world the finest example ever seen because we have the necessary resources, in short everything necessary to develop all sorts of resources, all kinds of things, and we could assist other countries in an admirable and exemplary fashion.

I shall conclude my observations by saying that we must assume our responsibilities. The minister is not the only one who must assume his responsibilities; each one of us must assume his own responsibilities and, if to do this, we will be able to make the required developments, we will be able to do what has to be done in order to have good drinking water. We will also be able to do what has to be done in order to develop the required ore, in brief, everything underground, all that nature made available to us for our own needs and those of others.

[*English*]

Mr. Olson: Mr. Chairman, there are three matters I should like to discuss briefly with the Minister of Energy, Mines and Resources. First I should like to commend the minister for his attitude and in many cases his realistic approach to some of the problems facing him in the mineral and energy development fields as well as those fields relating to water conservation and utilization. I think the minister has performed a good service for Canada in attempting to deal with these matters realistically and progressively.

• (4:40 p.m.)

The three matters that I want to discuss are, first, oil markets, second, the extension and addition of pipe lines to deliver natural gas to eastern Canada and to the eastern or central United States and, third, coal exports from the Crowsnest pass area in Alberta and British Columbia to the west coast.

I will deal first with oil markets. We are apprehensive and deeply concerned about what is being done to expand the markets for Canadian oil, particularly oil from Alberta. I am sure the minister is aware of the fact that Alberta's petroleum production has dropped to slightly over 30 per cent of its total capacity, even with the application of good conservation practices, and this of course does not include a significant amount from the tar sands. We do not believe this to be a fair or realistic level of marketing, at least until we have reached the stage where the production of petroleum in Canada is equal to its consumption in this country. We believe a balanced level will be achieved when the total production of petroleum in all of Canada equals the total consumption of oil. This is not the case at present. We know that the market area extending eastward from Montreal is still being supplied by offshore oil. We think that Canadian producers have a right either to supply this market or an equivalent market some place within continental North America. There are a number of reasons for this. One of them is that petroleum should and could be a great asset in earning foreign exchange, and at the present time I understand that Canada is in a deficit position in balancing its exports and imports.

We would like to hear from the minister what he has been doing to expand the availability of markets for Canadian oil, particularly in what is referred to as the Chicago loop. A few days ago the minister was in Washington. When he came back he told the house that he had had some discussions with secretary Udall, but that is all he said. He did not say whether there was a favourable response to his suggestions, whether the United States government was going to encourage this sort of arrangement, or what further action the Canadian government intends to take. All we heard was that the minister was interested—and we are pleased to hear it—and that he had conversations. He did not say anything about the subject matter of the discussions and the response he received. We think it is important for the province of Alberta and for the national economy that some action be taken. We have heard many words, plans, discussions and utterances of good intentions, but we have had no action yet and we think the time has come for the minister to give us at least his impressions of what he expects will happen on the basis of his discussions with the United States officials.

With regard to gas delivery from western to eastern Canada, it is becoming increasingly urgent that some decision be taken to provide additional capacity to deliver gas to eastern Canada. We hear conflicting arguments regarding the deficit which may occur during the winter of 1967-68. Some knowledgeable people have suggested that it may be as much as 33 million cubic feet. Others challenge that figure. I do not know what it will be but I am sure the minister and his advisers have a keen interest in this matter and perhaps an opinion as to how large the deficit will be.

They should also have an opinion as to how much time will elapse before the date on which construction must start so that deliveries can be made this coming winter. I am not sure whether that date has already gone by. I hope not, but perhaps we can hear from the minister on this matter.

Some complaints have been made about the government's unfortunate decision some months ago to reject the National Energy Board's decision regarding the Great Lakes development, following which some time was lost. I am not too critical of the government in this respect because it saw the light and changed the cabinet order. However, the major problem here is loss of time. Some hon. members have complained previously, and have done so again this afternoon, that the government should never have considered the Great Lakes project to supply additional gas to eastern Canada. However, I appreciate the minister's position and I realize that he is looking at the whole problem of the shortage of gas, the markets both in eastern Canada and in central and eastern United States, and the cost of transporting the gas to the consumers in eastern Canada. All these considerations have to be taken into account.

What has been overlooked by those people who favour the Great Lakes route as opposed to the looping of the present line of the construction of another one a little farther south is that that line would not supply any gas to additional customers in the eastern United States. There is a market there for Canadian gas which would benefit not only the Canadian economy but also that of the province of Alberta. So we believe that the government should do what it can to encourage an early decision by the federal power commission. It should do everything to expedite a decision in this matter so that this line can be built and the looping of the additional pipe line installations in northern Ontario can be proceeded with.

I wish to turn now to my last point, the matter of coal. I am very critical of the manner in which the Canadian government has handled the transport of coal from southwestern Alberta and southeastern British Columbia. However, my criticism does not extend to the minister because I do not think anyone would be justified in criticizing him for carrying out his responsibilities through the national coal board by setting up and providing facilities for the expansion of coal mining in the Crowsnest Pass. I do not believe that this action should be criticized. However, it seems to me that the Canadian Pacific Railway is being unreasonable and unjust and that the government has been unable to take a positive stand with regard to the railway company's demands for higher rates to transport this coal.

According to the Minister of Transport, both the Minister of Energy, Mines and Resources and the Minister of Finance have a direct responsibility to ensure that if there is even the slightest possibility of a subsidy being given to the transport companies, the variable costs of that transportation plus the mark-up are not unreasonable. A cost study has been made on behalf of the coal operators in the Crowsnest pass by a very competent firm of cost analysts. They came up with a figure of $2.86 for the variable costs. So far as we know, and I should like the minister to explain this to us, the Canadian Pacific Railway, which has a complete monopoly on railway transport in the area, has never offered to haul the coal for less than $5.28 a ton until the volume is well over a million tons. They adamantly refuse to enter into any kind of deal for less than that. I do not believe that is being reasonable. I do not believe it is a justifiable charge on the Canadian treasury to be paying a subsidy which in effect means an 84 per cent mark-up of variable costs. This statement is based on the figures we have that the rate would be $5.28.

• (4:50 p.m.)

It may be difficult for the minister and his department to establish these costs. However, I believe we have a responsibility to get on with the job of establishing, first of all, the methods and techniques that are used in establishing the variable costs. Then we can apply these methods and techniques to the problem of transporting coal from Coleman, Blairmore, Michel and Natal to the Pacific coast. This has not been done yet. We, as members of parliament, and the Canadian taxpayers are going to be faced with paying a subsidy.

In my estimation one cannot criticize the intent in entering into this kind of deal in order to get mining operations going. I think there is a very bright future for coal mining operations in the Crowsnest area in view of the market in Japan and other offshore markets if we can arrive at transport arrangements to the west coast at a reasonable rate. The minister has partly met this problem, but I believe we also have a responsibility to make sure the railway companies do not gouge the taxpayers in their demands for

rates. Therefore I want to make it clear to the minister that we appreciate the co-operation he has given to the coal board in making these arrangements with the Coleman collieries. I believe there are others pending.

I also think that if the industry is going to have a long term future on a sound basis the coal must be moved on the basis of a well established variable cost plus a reasonable mark-up. Then the railway will not need a subsidy at all. It is the belief of more knowledgeable people who have studied this situation that the Canadian Pacific Railway can transport this coal at a reasonable rate and still make a profit. We know that the Great Northern offered to haul it for $4 per ton and, according to some of these people, even at $4 per ton there was a profit. This rate is supposed to be the average for hauling coal in the United States.

Under the arrangement that has been made the Canadian Pacific, even after the total volume reaches a million tons from Coleman or two million tons from the area, is demanding $4.60 per ton. Then, of course, there will be no subsidy paid. This figure, as far as we can tell from the studies that have been made, is still too high and represents an unreasonable mark-up in variable costs.

I plead with the minister to have a conference with the Minister of Transport and the Minister of Finance so that they can go ahead and do what the Minister of Transport promised to do, have a public hearing to establish the methods and techniques used in connection with setting variable costs. A hearing of the interested parties could then be held to determine what the variable costs are after the methods have been determined. This has not been done, and it needs to be done. In every case in the past where the railways have been challenged by competent people, these so-called variable costs have been analysed and a great service has been done for the people of Canada. The time is past due when this needs to be done in so far as variable costs for moving freight are concerned, particularly on heavy commodities.

In closing my remarks I want to say again that we appreciate the attitude shown by the minister in approaching this problem. We wish him well. I hope he will give us additional explanations with regard to the three matters I have raised.

Mr. Faulkner: Mr. Chairman, the estimates of this department cover a wide range of activities. I want to deal with only one or two points. May I preface my remarks by expressing my pleasure and appreciation at the developments within the area of water policy. In his opening statement the minister stressed the emphasis that is now being placed upon co-ordinating water pollution measures as between the federal and provincial levels of government. He emphasized research as a pre-condition to any intelligent action in this field, and that statement is welcomed.

The minister has, in the past, stressed the importance of the inland waters. I have often wondered whether the department felt that the inland waters were the great lakes and forgot that the Kawartha lakes existed and that there are serious problems of algae there which are of concern to the people. In passing, I may point out that the new university in Peterborough, Trent University, has set up a marine biology department and is doing important research work in this field. I hope that in the future there may be some way in which the Department of Energy Mines and Resources can co-operate with ventures of this character.

The main point I want to raise with the minister relates to the Nelson river project. As an introduction to my remarks, I should like to make a few general statements about the role of the government of Canada as a major contractor in the resource field. I do not need to remind the minister or the house that the federal government is working with public funds. I believe it is very important that the government be particularly sensitive to the effects and ramifications of this work. The effects may be felt well beyond a particular contract and make a lasting contribution to such important fields as Canadian technology, Canadian employment, export sales, to mention but a few areas.

I believe it is in the these three areas particularly that the Nelson river project is of tremendous importance to this country. It may be that in terms of awarding a contract there is a difference between the public sector and the private sector. The private sector, in selecting a tender, concerns itself almost exclusively with cost. This cannot be so in the public sector.

The Chairman: Order. I must interrupt the hon. gentleman since it is five o'clock and the house must proceed to the consideration of private members' business.

Income Tax Act

• (5:00 p.m.)

[*Translation*]

INCOME TAX ACT

SUGGESTED AMENDMENT TO PERMIT HOME OWNERS TO DEDUCT CERTAIN TAXES

Mr. Roland Godin (Portneuf) moved:

That, in the opinion of this House, the government should give consideration to the advisability of amending the Income Tax Act to provide for private owners to deduct from their taxable income all the amounts paid as real estate, municipal and school taxes and the interest on the mortgage of their dwellings.

He said: Mr. Speaker, the purpose of this motion is to enable private owners to derive a minimum income from or obtain a certain guarantee on their dwellings.

Every human being is anxious to own a home. Who would venture to suggest it is unreasonable for anyone to wish some day to own a home for his family?

In this country, private property is closely connected with the family. Private ownership is an undeniable natural right that all members of this house, I am sure, or at least, I hope, have their heart set on protecting.

On the other hand, that same private property is a heavy financial burden for the Canadian labourer, for the Canadian worker and, more generally, for the Canadian citizen.

Owning a home is no problem for a family head who earns $8,000 or more a year. But we know that salaried Canadians earn, on the average, less than $4,000 a year, without hope of any increase, either because the industry for which they work cannot develop or because the worker who grew up during the depression does not have many diplomas.

In any event, despite professional training obtained after 15, 20 and 25 years of experience in a given field, very often employees are limited by salary ceilings. This situation is often found among labourers and also among white collar workers in industry and trade, and even civil servants. Those workers who once felt they possessed a certain security when they acquired their homes are now in serious difficulty because in addition to the income tax they have to pay many other real and hidden taxes, new or higher taxes, excise tax, federal and provincial sales tax.

All these taxes imposed by higher levels of government were the main reason for the higher cost of living. That rise in the cost of living created real problems for our municipal and school officials, because all the services rendered by those intermediate bodies are more and more costly. Indeed, home owners who once could pay up their school and municipal dues with as little as $150 a year, are now faced with the obligation of expending between $450 and $500 a year for the same services. That unforeseen rise in the essential services is reflected in the fact that a great many nice private properties are put up for sale.

[The Chairman.]

Mr. Speaker, in its war against poverty, the Canadian government recently decided to spend an additional amount of money in order to lower as much as possible the cost of rents in the poorer quarters of Montreal, and I take this opportunity to commend the government for that humanitarian action.

It is proven that it is very well to throw a rope to a drowning man but, to my mind, it would be better to build a guardrail at the right spot at the right time to prevent drowning.

True, without government help, many Canadians would be deprived of everything, but it should be recalled that many Canadian families deprive themselves, for in the case of the head of a family, the expenses are a lot heavier when he has a wife and children.

If we look at the income of an unmarried person earning $4,200 per year, we see how the income tax exemptions for married persons are far from balancing the family budget.

For instance, the unmarried person who earns a salary of $4,200 pays an income tax of approximately $475, after a deduction on $1,000, which leaves a net income of $3,725.

The head of the family earning $4,200 pays $128 in taxes each year after benefiting from a deduction of $2,000 for himself and for his spouse, and a deduction of $1,150 for the three children, if we suppose that he has one aged 19 who is a student, one of 14 and one of 8.

The 14-year-old child receives an allowance of $8 a month, or $96 a year. The 8-year-old child has an allowance of $6 a month, or $72 a year. That adds $168 to the income, which then amounts to a total of $4,368 a year—$4,368 less $128 tax, which brings it to $4,240.

The net income of a father of three children of 19, 14 and 8 years old is $4,240 after payment of $128 income tax. The single person having the same salary of $4,200 has a net income of $3,725, after payment of $475 income tax.

The difference in income and allowances leaves this family head with a surplus of $515 to support his wife and three children.

Hence, four additional persons for $515 more, which represents about $125 a year, $10.50 a month, or 30 cents a day.

I know very well that we are not sufficiently aware of that situation. We are so happy and pleased to see progress in the other sectors of the national economy that we forget the most important one, the home. Since taxes are for the most part hidden in the purchase price of goods, the man who has more children to support has less money to give them housing, food, clothing and education. That must be recognized.

Therefore, I feel the time has come to amend the Income Tax Act in order to allow private home owners to deduct from their taxable income any amount paid as municipal and school taxes as well as the interest of on the mortgage of the houses they live in.

The government would thus render a real service to the citizens who already are home owners.

Thus the government could counteract the present decline in home construction by encouraging Canadians to invest their money in the purchase of a house.

Although economists maintain that the building industry should increase its production every year until it reaches some 200,000 units per year by 1975, the present situation has led to a 30 per cent decrease for the year 1966 as compared to the 166,000 houses started in 1965.

Therefore Mr. Speaker, I hope that the members of this house will recognize that the home building industry has been seriously reduced by increased municipal and school taxes as well as by increased mortgage interest and that the shortage of homes this year will again affect very seriously the renting conditions, especially in the expanding metropolitan areas.

In short, Mr. Speaker, the only purpose of this motion is to alleviate this financial burden on Canadians and to encourage, by this very simple and efficient means, I believe, our fellow-citizens to avail themselves of private property which will not overwhelm them but help them to forge ahead.

Canadian citizens are quite willing to pay the taxes levied by the various governments.

Why then would the government not agree, in turn, to allow the private property owner to deduct that amount from his income tax? The private property owner has to pay the cost and the depreciation of his property, and that is normal. His income is taxable, just as it is for every citizen and, under the present system, that again is normal. In addition, he is subject to all kinds of taxes which enable the various levels of government to meet their budget.

Mr. Speaker, in this line of thought, this motion which I have the honour to present to my honourable colleagues today tends to help the private propery owner to meet his own family budget. Taxes will have a bright side not only for the various governments but also for the private property owner.

In closing, Mr. Speaker, I hope that hon. members, who are probably private property owners themselves, will give me their support.

• (5:10 p.m.)

[*English*]

Mr. J. G. Lind (Middlesex East): Mr. Speaker, the hon. member for Portneuf (Mr. Godin) has presented an interesting notice of motion that the government should give consideration to the advisability of amending the Income Tax Act to provide for private home owners to be able to deduct from their taxable incomes all amounts paid as real estate, municipal and school taxes and the interest on the mortgages on their dwellings. This suggestion, as well as the argument of the hon. member, has great merit.

Today, with the rapid increases in municipal taxes and the increases in mortgage lending rates the home owner suffers from severe hardship by his real estate having to bear all the costs of municipal government, added to which are the high costs of education. I have always had a great deal of concern for the person who earns less than $5,000 per year. He should have the right to own his own home. Yet many municipalities, by restricted area bylaws or by restrictions in the agreements between developers and municipalities, prevent such a person from building a home of 600 square feet. A person earning less than $5,000 per year cannot afford to purchase a 1,000 square foot home. As the result of bylaws and restrictions in the deeds on land, the low income earner is prevented from building a 600 square foot house on the majority of parcels of land, and when I speak of the majority I mean 99 per cent. There are hundreds of thousands of people across Canada who would take pride in ownership of a small home if they were permitted to by their local municipality. The government should do something to aid the small wage earner who wishes to buy his own home.

One of the main reasons for the increased cost of homes has been the rapid increase in serviced lots. Mr. Jack Key, the president of the Toronto real estate board, has said:

> Lot prices have gone up by $3,000 because of the high cost of municipal services and in delays in processing subdivision plans by various public authorities.

The Toronto real estate board says that land accounts for about one third of the cost of a home. Here is an area where costs could be substantially reduced by municipal and government co-operation. This would reduce home costs a great deal more. The saving would be greater than any reduction of taxable income and it would apply equally to all home owners.

While speaking in the house on the question proposed by the hon. member for Parkdale (Mr. Haidasz), which would have given home owners the right to deduct real property taxes and mortgage interest for income tax purposes the Minister of Finance (Mr. Sharp) said:

> On the question of whether there should be a deduction on home owners' taxable income, we have looked at the matter from time to time and found that it has one obvious fault, namely that it is a suggestion which favours one particular kind of resident, that is one who happens to own his home and not to rent it. Of course, this is not fair particularly to those who live in apartment buildings. So I felt that as Minister of Finance I could not recommend to the government the proposals put before me by the mayor of Toronto, which have been mentioned by the hon. member for Parkdale.

The royal commission on taxation, when dealing with this subject in volume 3 of its report, came to this conclusion, as found on page 206:

> ...we do not believe that mortgage interest and property taxes should be deductible, because the allowance of these items discriminates against the individual who rents his living accommodation.

This substantiates my former argument that to allow the deduction of municipal taxes from taxable income discriminates against the low wage earner. He would receive much less benefit from this deduction than those living in more expensive homes. What we need is a home ownership plan or rental plan that will provide satisfactory living accommodation for the home owner whose income is less than $5,000 a year and for his family.

It is my understanding that income tax deductions for real property taxes and for mortgage interest in regard to owner occupied dwellings would also confer a greater benefit on individuals with higher incomes. Individuals with higher incomes tend to have more expensive homes which attract heavier municipal taxes. Although we are concerned about the high costs to people in every bracket of income, one of this government's main concerns is with those in the low income brackets. This government has always been the friend of the man who carries the lunch pail. This government is determined to do something for him to enable him to enjoy the comfort and security of home ownership.

• (5:20 p.m.)

This is why our government has always supported the program of the Central Mortgage and Housing Corporation, a corporation which has been, and is, instrumental in providing financing at a cheaper rate than conventional mortgages because the plan favours those in the lower income brackets. For instance, the interest rate on C.M.H.C. mortgages is usually 1½ per cent lower than the rate charged on conventional mortgages by the money lending institutions. It is also interesting to note that on January 11, 1966 the C.M.H.C. interest rate was raised from 6¼ per cent to 6¾ per cent while conventional mortgage rates were in the neighbourhood of 8¼ per cent or 8½ per cent. Therefore I maintain that C.M.H.C. favours the low wage earner by providing cheaper rates for him if he can qualify.

It is also interesting to note that when this government took office the C.M.H.C. interest rate was reduced from 6½ per cent to 6¼ per cent. I should like to point out to the hon. member for Portneuf that the Liberal government has always been concerned about providing for the people of Canada quality housing at reasonable rates so that all Canadians may be able to own their own homes or rent suitable accommodation.

I might state that housing starts by the end of May have reached a figure which will ensure that 170,000 units or more will be built in Canada in 1967. This is a good centennial project for C.M.H.C. which can now say that the Canadian construction industry in co-operation with our lending institutions will provide more than 170,000 home units in 1967.

This government has tackled the housing problem and is regarding it not merely from an economic point of view but from a human and social point of view. As a matter of fact, the government has accomplished these things through a minister who has two portfolios under his jurisdiction.

I would urge the government to investigate the situation in rural centres whose population is less than 5,000. It has always been my contention that C.M.H.C. should do something for Canadians in rural areas who wish to own their own homes. I should like to quote from

an article in the *Globe and Mail* of February 3, 1967. Mr. Sol Burke of the Canadian Housing Manufacturers Association had this to say:

> Even during periods when mortgage money is readily available, funds for new houses in rural areas are difficult to obtain.
>
> Conventional lenders are not interested in scattered lot investments and C.M.H.C. aid for rural housing is virtually ruled out through the application of restrictive regulations.

Mr. Burke went on to say that the population limit of 5,000 imposed by C.M.H.C. prevented many scattered communities in rural areas from obtaining mortgage assistance. I personally carried out an investigation in my own constituency and found that the corporation had processed only 11 loans over a three-year period in an area which has a population of more than 20,000 people. Mr. Burke went on to say, according to this report, that rural housing in Canada has been neglected and that it should qualify for the same C.M.H.C. assistance as is given to urban areas.

In this connection, Mr. Speaker, I urge the government, through C.M.H.C., to provide all communities in Canada with equal opportunity to enjoy the preferred financing rate offered by the corporation. It is estimated that the revenue loss to the government of Canada as a result of income tax exemptions for real property taxes would be high, and that mortgage interest would be high. Two years ago it was estimated that the granting of income tax exemptions in respect of real property taxes alone would mean a loss of revenue amounting to $150 million. The figure today would be closer to $200 million. Loss of revenue on such a scale would only aggravate our present budget deficit. Contrary to the assertions of many hon. members I maintain that the government has provided and will continue to provide reasonable cost housing for our people and that our present housing policy will be extended to include more and more Canadians seeking homes.

I should like to quote C.M.H.C. statistics to show the extent to which the cost of houses has risen during the past year. The over-all cost has increased from an index figure of 148.9 to 151.6, while the cost of wages in construction has risen from 235.5 to 254.2. The contractors and the people engaged in construction have introduced economies which have held down the over-all cost of housing.

One of the principal cost factors is the development of serviced land, which now represents about one third of the total cost of a home. I am sure the government is searching out ways and means of reducing the price of homes so that all Canadians throughout our great nation may enjoy the benefit of owning their own homes or of renting suitable accommodation at a price they can afford.

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, I shall be very brief in my intervention. I merely wish to say that I find no difficulty in supporting the intention behind the motion moved by the hon. member for Portneuf (Mr. Godin). With all respect to the hon. member for Middlesex East (Mr. Lind) I was disappointed not to hear him say he has no quarrel with the motion, because I feel it is high time that Canadians generally, and home owners especially, should be given some relief from the burden of taxation they are now required to pay to help raise the ever-increasing sums needed for education and other community services.

• (5:30 p.m.)

The intent of the notice of motion proposed by the hon. member for Portneuf is good in that it would provide an incentive to home owners and increase our home owning society. To that extent I support it, but perhaps the aspect relating to school taxes might conflict with the school tax rebate which is in effect in some provinces. Nevertheless, any incentive to home ownership is desirable.

The hon. member for Middlesex East pointed out that this would mean a substantial loss of revenue to the federal and provincial governments. To that I simply reply it is high time that restraint was placed on government spending, particularly when one reads of the tremendous increase in expenditure by some branches of the government service, notably the recent example of pentitentiary construction in the maritimes. Some five years ago a contract was awarded for $2.5 million but the cost has since risen to $11 million. Something has gone wrong when expenditures can soar that high after a contract has been let. I say that the government has a responsibility to make a closer check on its expenditures in all phases of activity. Loss of revenue might be recovered by watching expenditures more closely. If they were watched more closely we would not have the prophesied deficit that the hon. member for Middlesex East warned us about.

I do not share the view of the Minister of Finance (Mr. Sharp), in his reply to a motion presented some time ago by the hon. member for Parkdale (Mr. Haidasz), that acknowledgement of home owners by some special tax concession would be unfair to non-home owners. This is like saying that because we are not all farmers legislation which is benefi-

cial to farmers is inequitable, and because we are not all industrialists legislating anything that will give incentive to industry is inequitable. That is no excuse for the government not acting to give a benefit to home owners.

The housing area is one which is badly neglected by the government. Certainly this is true with respect to rural housing and it applies even more to urban housing. I can support in principle any measure that will increase home ownership on the part of Canadians.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, this notice of motion is proof of the fact that the government's housing policies are quite inadequate to cater for the people of Canada. Although the notice of motion springs from the best possible motives, in my opinion its adoption would not do the job that the sponsor has in mind. If implemented it would be exceedingly inequitable. It calls for deduction from income tax of real estate, municipal and school taxes. It does nothing to limit taxes according to people's income whereby little people could make large deductions and big people small deductions. The notice of motion would discriminate against the small property owner and favour the large property owner. It would discriminate against people who rent their homes and favour people who own their homes.

Hon. members who sat on the consumer prices committee know that the proportion of people who rent homes is increasing and the proportion who own homes is declining. Recently the minister in charge of C.M.H.C. stated that the percentage of people in the larger centres who can hope to own their own homes will decline because of the costs of building fully modern homes. According to the last figure I saw, no one in the city of Toronto can hope to own a modern home unless he has an income of about $8,200 a year. Only 12 per cent of the Canadian people have an income of $8,200 or more.

We will have to deal with the housing crisis and the income crisis in ways much more far reaching than proposed by this notice of motion. On a number of occasions we in the New Democratic party have made proposals which would provide housing to people at prices they can afford. We have made proposals to keep mortgage rates lower and to provide different types of housing for lower income people. We have also made proposals for increasing the income of people in various ways. This resolution would do none of these things. It is also impractical because it would intrude on the municipal and provincial fields instead of dealing strictly with the federal tax field.

For these reasons we in this group feel this notice of motion is not calculated to help the people who need help the most.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I listened with a great deal of interest to the hon. member for Middlesex East (Mr. Lind) as he gave his definition of the policies of the government. He said that the Liberal government has always been the friend of the man who carries a lunch pail and is concerned about people who desire to own and occupy their own homes. I do not think the hon. member will be really surprised if he finds that his views are not enthusiastically shared by all members of the house. The fact that this notice of motion is before us and the fact that this matter has been drawn to the attention of the government on many occasions are indicative of the dissatisfaction that is to be found with respect to government policies.

• (5:40 p.m.)

I believe we can support the objective that the hon. member for Portneuf (Mr. Godin) has in mind in introducing this notice of motion, the purpose of which I understand is to assist persons who desire to do so to own their own homes. It has been the stated policy of this group for a considerable length of time that we should do everything we possibly can to encourage home ownership because of the sense of security it gives to those who occupy their own homes. This is something which makes a substantial contribution to the development of true family life and has so many beneficial effects for society as a whole. Therefore I believe that anything which would assist in the realization of this objective should receive the very careful consideration of the government.

On many occasions it has been pointed out that home ownership is being pushed farther and farther beyond the capabilities of the ordinary citizens of Canada. One of the contributing factors, of course, is the high cost of capital. We have found that as the population has continued to increase and as the money supply has become more and more restricted, those in the lower or middle income groups have been entirely unable to obtain the necessary finances in order to proceed with their building plans.

Another factor which has entered into the cost of home ownership and which points out the neglect of the government in this field is

the conflict in their policies. We remember the time when they introduced a measure to give a $500 winter bonus to those who built homes in the winter, but then they turned around and withdrew the tax exemption on building materials which more than offset the beneficial effect of the other program they had instituted.

In this regard at least—and I could cite many more examples—I suggest that the government's policies have been conflicting and, of course, in conflict with the stated purpose of the government. Therefore I believe that anything which will contribute to home ownership and the feeling of security which results therefrom should be encouraged. I am not sure just what the over-all effect would be of the suggestion which has been put forward by the hon. member for Portneuf. It may be that there are other ways in which the problem can be resolved more easily. I do say, however, that these are matters which should be given very careful consideration.

There is another matter which we have raised and which I believe should also be considered. I refer to the allowance of depreciation on private homes. I cannot see any reason that this should not be possible. I do not see any reason that it should not be desirable. It would be of tremendous assistance to those who are seeking to own their own homes.

We all know that the government has been constantly reminded of the housing needs of Canadians. Various members have brought this to the attention of the government. The minister who is in charge of this area of concern has rather played down the fact that there is a national crisis. The minister states everything possible is being done and that they are making progress. He suggests that the situation is not nearly as bad as it has been portrayed by various hon. members. It may be that there is an increase in housing starts. It may be that some developments are taking place. I suggest, however, that they are far too inadequate to meet the needs and satisfy the demands of those who wish to acquire better housing or satisfy the needs of the new family units which are being organized constantly in our country.

This notice of motion calls for amendment of the Income Tax Act. The act is a real hunting ground for those interested in finding matters which should be taken into account because I cannot think of any other field of government activity in which there are more inequities and inadequacies than there are in the income tax legislation. Therefore we could spend a long time analysing the act and making recommendations in connection therewith.

I believe the idea behind this whole exercise is to ensure that the people of Canada have sufficient income to meet their basic needs. When the basic deduction for income tax purposes was established it was considered that $1,000 was about the lowest amount that people could get by on. That was many years ago. The cost of living has spiralled but the basic deduction of $1,000 still remains. I say that it is a completely inadequate figure. I cannot understand any government taking the position that that level should be retained. We have beaten the Liberal government over the head and we used to beat the Conservative government over the head, but neither party has been willing to make the necessary amendments. I feel, therefore, that it should be one of our objectives to try to leave in the hands of the Canadian people sufficient of their income to meet their requirements and enable them to provide for themselves.

I submit that it should not be necessary for the government to enter into so many other fields of activity in order to let on that they are giving something to the Canadian taxpayers when, after all, they are just returning a little of what they have taken from them. Because of the government's unwillingness to meet this problem in any substantial degree, I believe that any of these adjustments which are suggested should be considered. I suggest that some of them are highly desirable even though they are palliatives rather than a cure for the problem of a shortage of purchasing power in the hands of the people.

• (5:50 p.m.)

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, I am pleased to have the opportunity to voice my personal views on the motion brought forward by the hon. member for Portneuf (Mr. Godin).

As a rule, it is obvious that we cannot but approve the basic and humanitarian reasons put forward by the hon. member for Portneuf. He advocates the protection of private property, small owners, families, workers, and small wage-earners. He suggests that the government should take the necessary steps to render a real service to the small owner by reducing his burden and helping him to make ends meet.

This question had been raised in the house on June 12 by the hon. member for Parkdale (Mr. Haidasz) who also suggested that the owners of houses should be in a position to

deduct from their taxable income real estate taxes and interests on mortgages.

To this, the hon. Minister of Finance (Mr. Sharp), when we were discussing the estimates of his department and he was answering some questions raised by the hon. members, answered, and I quote from page 1433 of the June 12 *Hansard*:

On the question of whether there should be a deduction on home owners' taxable income, we have looked at the matter from time to time and found that it has one obvious fault, namely that it is a suggestion which favours one particular kind of resident, that is one who happens to own his home and not rent it. Of course this is not fair, particularly to those who live in apartment buildings. So I felt that as Minister of Finance I could not recommend to the government the proposals put before me by the mayor of Toronto, which have been mentioned by the hon. member for Parkdale.

Further, if we refer to volume III of the report of the royal commission on taxation, which deals mainly with the taxation of individuals and families, we find on page 49 a paragraph dealing precisely with the question raised by the hon. member for Portneuf: And I quote:

The foregoing argument has implications for the question of whether municipal taxes should be deductible by home owners. It is often urged that property taxes should be deductible from income on the grounds that this would stimulate home ownership, increase home construction, and make it possible for municipalities to raise more revenue. To the extent that municipal taxes cannot be regarded as a charge for specific municipal services which benefit the property, municipal property taxes are regressive. It can be argued that some relief for such taxes should be granted against income taxes as a deduction or a credit, in order to bring the burden of taxation more closely in line with ability to pay. However, home owners already have an advantage in regard to income tax through the fact that imputed income is not taxed.

And the imputed income, as I understand it, is the difference that may exist between the owner of a house living in it, who has no rent to pay, who does not deduct a rent from his taxable income and, on the other hand, the owner who rents his house and receives a rent from his tenant, the amount he receives being taxable.

I shall continue my quotation:

—is not taxed. It may well be desirable to work out techniques that will give municipalities more revenues without raising property taxes, but this objective can be accomplished in other ways that are not so inequitable between taxpayers.

This report of the royal commission on taxation will be discussed shortly. It is also expected that some recommendations will be disproved and rejected by the experts, but it is most probable also that several of those recommendations will result in pieces of legislation designed to help among others, small wage-earners and to improve the Canadian economy.

It is suggested that such an aim could be achieved by other means which would not result in unfairness for taxpayers. Unfairness among taxpayers should always be avoided.

The royal commission expresses similar views with regard to the deduction of mortgage interests paid by home owners. Also, as one of my colleagues said earlier, there are other ways to protect the small owner or wage-earner.

Who would benefit most from this proposition? As stated a moment ago, it is the one with the large income. It is not the one with the small income, and we are always trying to protect the small wage-earners.

In closing, as an example and according to my information, in the case of a home owner whose property taxes would be approximately $1,000 and whose income is considerable, the tax he would have to pay on the last slice of his income, let us say it is approximately 50 per cent, the deduction of the property tax would save him something, approximately $500.

If, for instance, you take the case of a wage-earner whose salary is small and whose property tax amounts to $500 yearly and whose last slice of income would come under an income tax rate of 25 per cent, this deduction would save only $125 for this wage-earner, while the one with the larger income would benefit more from this measure.

[*English*]

Mr. Deputy Speaker: Order, please. The hour appointed for the consideration of private members' business has now expired.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, may we have an announcement regarding the business for tomorrow and Friday?

Mr. Nicholson: Mr. Speaker, it is my understanding that there has been no change in the announced business. Tomorrow we will proceed with consideration of the resolution covering the legislation regarding the Cape Breton Development Corporation.

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

HOUSE OF COMMONS

Thursday, June 15, 1967

The house met at 2.30 p.m.

[*Translation*]

NEW MEMBER INTRODUCED

Melville C. Germa, Esquire, member for the electoral district of Sudbury, introduced by Mr. T. C. Douglas and Mr. Norman Fawcett.

[*English*]

PRIVILEGE

MR. SMALLWOOD—IMPORTATION OF CHAROLAIS CATTLE INTO U.S. THROUGH CANADA

Mr. C. S. Smallwood (Battle River-Camrose): Mr. Speaker, I rise on a question of privilege arising out of an article in the *Western Producer* which carries the headline "Canada a 'stopping place' for U.S. Charolais imports". I will be brief and will not read all the article, but it says in part:

> Charolais cattle, owned by United States interests, are quietly being imported into Canada from areas other than France without going through the elaborate quarantine station established in 1965 in Gross Ile, Quebec—

Then the article goes on to describe two shipments of cattle to the Grant Campbell farm near Toronto and another to the John Miller farm near Ashburn. These cattle were the property of the union stock yards at Chicago and an Oklahoma syndicate.

• (2:40 p.m.)

On April 25, Mr. Speaker, I asked the Minister of Agriculture about this matter but he did not have any information. I am a very co-operative and patient member, I hope. I spoke to the Minister of Agriculture, who is also co-operative, and promised to send him this newspaper clipping. On May 3 his executive assistant telephoned our office and we sent this information. As of yesterday, June 14, we had received no answer regarding this serious matter of the United States circumventing Canadian laws to bring cattle into that country. I hope the minister will have his officials look at this serious matter at an early date, and I hope he will take action on behalf of the Canadian cattle industry.

[*Translation*]

COMMITTEES OF THE HOUSE

HOUSING, URBAN DEVELOPMENT AND PUBLIC WORKS—MOTION FOR CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Rosaire Gendron (Rivière-du-Loup-Témiscouata) presented the second report of the standing committee on housing, urban development and public works and asked for the unanimous consent of the house to move concurrence in the said report.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent.

Motion stands.

VETERANS AFFAIRS—FIRST REPORT OF STANDING COMMITTEE

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, as a result of the serious and expeditious work performed by the committee on veterans affairs, I have the honour of presenting the first report of this committee whereby the estimates of the department are referred to the house for concurrence.

[*English*]

JUSTICE AND LEGAL AFFAIRS—MOTION FOR CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. A. J. P. Cameron (High Park) presented the first report of the standing committee on justice and legal affairs, and asked for unanimous consent to move that the report be concurred in.

An hon. Member: No.

Mr. Speaker: There is not unanimous consent.

Motion stands.

[*Translation*]

HOUSING, URBAN DEVELOPMENT AND PUBLIC WORKS—CONCURRENCE IN FIRST REPORT OF COMMITTEE

Mr. Rosaire Gendron (Rivière-du-Loup-Témiscouata) moved:

> That the first report of the standing committee on housing, urban development and public works, presented to the house on Tuesday, June 13, 1967, be concurred in.

[*English*]

Mr. Churchill: No, Mr. Speaker. I presume this has to do with the reduction of the quorum, is that right?

Mr. McIlraith: No.

Mr. Churchill: Or has this to do with sitting while the house is in session?

Some hon. Members: Both.

Mr. Churchill: So far as the reduction of quorum is concerned, two or three committees have already stated that—

Mr. Speaker: Order, please. I understand that is not the report which is before the house. This report from the standing committee on housing, urban development and public works asks whether the committee may be authorized to sit while the house is sitting.

Mr. Churchill: All right.

Mr. Grégoire: On division.

Motion agreed to on division.

[*Note: Text of the foregoing reports appears in today's Votes and Proceedings.*]

[*Translation*]

CAPE BRETON DEVELOPMENT CORPORATION

PROVISION FOR TAKING OVER COAL UNDERTAKINGS, DEVELOPING INDUSTRY, ETC.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to table copies of the agreement entered into by the Canadian government and the government of Nova Scotia with regard to the coal problem in Cape Breton.

[*English*]

CRIMINAL CODE

AMENDMENT RESPECTING CARE AND CONTROL OF MOTOR VEHICLES WHILE INTOXICATED

Mr. W. B. Nesbitt (Oxford) moved for leave to introduce Bill No. C-133, to amend the Criminal Code (control of motor vehicle).

An hon. Member: Explain.

Mr. Nesbitt: This is similar to a bill I introduced in the last session. It closely resembles legislation which was enacted in the United Kingdom about two years ago, and its purpose is to encourage drivers of motor vehicles who are intoxicated to remove their vehicles and themselves from public highways. Under the law as it stands they may be penalized for doing so. It is my hope that after this bill has been discussed on second reading it will be referred to the committee on justice and legal affairs.

Motion agreed to and bill read the first time.

[*Translation*]

NATIONAL ANTHEM

CHOICE OF WORDS TO BE RECOMMENDED BY CANADA COUNCIL

Mr. Maurice Allard (Sherbrooke) moved for leave to introduce Bill No. C-134, to provide a national anthem.

Some hon. Members: Explain.

Mr. Allard: Mr. Speaker, with a view to avoiding the confusion caused by the adaptation of French and English versions of the national anthem "O Canada", my bill proposes that the Canada Council choose suitable versions to be approved later by the house and the Senate.

Motion agreed to and bill read the first time.

• (2:50 p.m.)

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION

PROVISION FOR TAKING OVER COAL UNDERTAKINGS, DEVELOPING INDUSTRY, ETC.

On the order: Government Notices of Motions:

June 13—the Minister of Energy, Mines and Resources—The following proposed motion:—That the house do go into committee of the whole at its next sitting to consider the following proposed resolution which has been recommended to the house by His Excellency:—

That it is expedient to introduce a measure to establish a Cape Breton Development Corporation to acquire, reorganize and rehabilitate certain coal mining works and undertakings on Cape Breton Island, to conduct coal mining operations in the Sydney coal field and to promote and assist the development of industry on Cape Breton Island to provide employment outside the coal producing industry and to broaden the base of the island's economy; to provide for the administration of the corporation and its initial financial and operating capital requirements including the consideration or compensation established or determined to be payable in connection with the acquisition by the corporation of the said coal mining works and undertakings, the sum of twenty five million dollars for the purpose of reorganizing and rehabilitating the said coal mining works and undertakings and for preparatory work in connection with the conduct by the corporation of coal mining operations, and the sum of twenty million dollars for the purpose of promoting and assisting the development of industry on the island.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, by leave we would like to deal with this resolution later this day.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: By unanimous consent Mr. Pepin, seconded by Mr. MacEachen, moves that the house go into committee of the whole later this day to consider this resolution, which has been recommended to the house by His Excellency.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

Hon. Mitchell Sharp (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to authorize the Canadian National Railway Company to make capital expenditures and to supply the financial requirements of affiliated companies in amounts not exceeding, in the calendar year 1967, the amount of $264,800,000, and to make, in the calendar year 1968 prior to the 1st day of July, 1968, certain capital expenditures, by way of investing in the securities of Air Canada, not exceeding $135,000,000 and to make certain other capital expenditures and enter into certain contracts, prior to the 1st day of July, 1968, for the acquisition of equipment, additions, and conversions not exceeding $94,000,000; to provide for the financial requirements of Air Canada in an amount not exceeding $122,000,000, either by means of loans from Her Majesty to the national company or by means of issues of securities of the national company, authorized and guaranteed as to interest and principal by Her Majesty, the cash proceeds by either method to be used only for the financial requirements of Air Canada, the capital needs of the national company itself being met entirely through the sale of preferred stock to Her Majesty and from reserves from depreciation and debt discount; to authorize Her Majesty to continue to purchase until December 31st, 1968, Canadian National Company 4 per cent preferred stock in an annual amount not exceeding 3 per cent of the gross revenues of the company; to extend until December 31, 1968, the moratorium on interest on the loan of $100,000,000 to the company authorized by the National Railways Capital Revision Act of 1952; to authorize Her Majesty to make loans to the Canadian National Railway Company and Air Canada to meet deficiencies in operating reserves to June 30, 1968, any such loans to be repaid from revenues of the railway company and Air Canada or, if revenues prove insufficient, by subsequent deficit appropriation by parliament.

Motion agreed to.

27053—99½

Inquiries of the Ministry

BUSINESS OF THE HOUSE

SUSPENSION FOR TODAY OF PRIVATE MEMBERS' HOUR

Mr. Speaker: Before I call orders of the day may I refer for a moment to the makeup of today's order paper. Acting on the assumption that the resolution concerning the Cape Breton Development Corporation had been set down, pursuant to standing order 61-A, as the first item of government business in this sitting, the order paper does not provide for a private members' hour between six o'clock and seven o'clock p.m. this day.

Standing order 15(4) provides for the suspension of the hour for the consideration of private members' business when a money resolution, pursuant to standing order 61-A, is set down as the first item of government business on a Thursday. Accordingly this day's sitting of the house will be suspended at six o'clock until eight o'clock p.m.

UNITED NATIONS

MIDDLE EAST—RUSSIAN REQUEST FOR GENERAL ASSEMBLY MEETING

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. The U.S.S.R. having been prevented or circumvented from effecting a resolution harmful to Israel and the matter now having been put before the secretary general, with a call on the part of the U.S.S.R. for a convening of the general assembly, and the request in this regard having been sent to the various members, what is Canada's reply to this request that the assembly should now be seized of this matter?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there are still two resolutions before the security council dealing with the matter to which my right hon. friend refers, and in the past it has been the practice not to refer a matter to the general assembly in special session until it had ceased to be dealt with in the security council. The Soviet union have indicated that if these resolutions were proceeded with, the United States resolution in particular, they would veto them. But pending that, as my right hon. friend has stated, they have asked for a special emergency meeting of the general assembly, a request with which 62 members must agree.

We have received a telegram from the secretary general bringing this matter to our

attention and asking for our agreement or otherwise. The matter is now under consideration. My own feeling, Mr. Speaker, is that we should not object to a meeting of the general assembly because an objection at this time on grounds of procedure would not delay matters very long. Undoubtedly, from the information we have received, they are going to get 62 affirmative votes. Therefore it would be wise not to object to the matter going before the general assembly, without prejudice to the constitutional correctness of the procedure followed on this occasion.

Mr. Diefenbaker: Mr. Speaker, might I suggest to the Prime Minister that the answer by Canada should be in the negative, so Canada will make clear to all the world that it will not countenance the kind of attitude toward Israel which the U.S.S.R. has in mind and has shown in the security council in recent days. Would this not be the proper time for Canada to stand up and say we shall not accept this? If 62 other nations agree, well and good, but why should Canada not stand on its own feet?

Mr. Pearson: Well, Mr. Speaker, I do not consider that this would be the situation in respect of a request from the Secretary General to express our views as to whether there should or should not be a special general assembly session. I do not believe the refusal to agree to a meeting of the general assembly would have any bearing on the stand we might take at the general assembly. If we have any views on the matter we can express them before the general assembly.

MIDDLE EAST—REPORTED STATEMENT BY MINISTER RESPECTING PEACE NEGOTIATIONS

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister, asking him whether the statement by the Secretary of State for External Affairs at the NATO ministers' meeting—and I hope I read it correctly—to the effect that the best way of obtaining peace in the Middle East is to have negotiations between the parties rather than at the United Nations, represents government policy, and whether the Canadian representative at the United Nations has been instructed to follow that policy during discussions there?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the most desirable procedure would be to have direct talks between the parties concerned, to be supplemented by an international agreement to guarantee the security of countries in that area including, of course, Israel. It is difficult to adopt that procedure when at least one side to the talks is not willing to negotiate with the other side.

LABOUR CONDITIONS

SYDNEY, N.S.—REPORTED FURTHER LAY-OFFS AT STEEL PLANT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Minister of Industry and Defence Production with regard to the 17 man delegation from Nova Scotia which waited on him and other members of the cabinet yesterday in respect of the steel crisis in Cape Breton, where some 700 men have already been laid off this month and another 400 are to be laid off at the end of this week. I should like to ask the minister whether it is correct that the delegation asked the government to give some financial assistance so that steel could be stockpiled pending the improvement of the steel market, and what reply the government is prepared to give to this request.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, in response to the representations made yesterday the concern of the government in respect of the very difficult situation facing the steel producing communities of Cape Breton was expressed. There also were expressions of appreciation of this by the delegation. With regard to the proposal that the government should stockpile soft steel from the output of Dosco in Cape Breton, the delegation was assured that the government would give consideration to this. It was pointed out, however, that a program of stockpiling steel from one company alone would constitute a precedent to which careful consideration must be given before such a program is embarked upon.

Mr. Douglas: I have a supplementary question, Mr. Speaker. May I ask the minister also what reply the government is giving to the appeal from Mr. C. H. Drury, the president of Dosco, that the government request that only Canadian steel be used in public works projects, since this would add some 30 per cent to the amount of reinforced steel used in the four Atlantic provinces which would be available in the Canadian market.

Mr. Drury: Mr. Speaker, I think perhaps the conclusion drawn concerning the result, if there should be a prescription for the use of

Canadian steel, is incorrect. In fact the government of Nova Scotia does now in that province prescribe the use of Canadian steel in provincially financed projects. It is apparently in respect of privately financed projects rather than provincially financed projects that the consumption of imported steel is taking place.

Mr. Douglas: In view of the fact that the appeal by the president of Dosco was to the federal government in respect of federally financed projects, which he says would enable some 30 per cent of the steel requirement in the four Atlantic provinces, which is now being met by foreign imported steel, to be met by Canadian steel, is the Canadian government prepared to accede to this request in so far as the federal jurisdiction is concerned?

Mr. Drury: Mr. Speaker, I do not think any such request was made by the president of Dosco. He did make a statement to the effect that a substantial proportion of foreign steel was now coming into the Atlantic provinces, and he did quote the percentage mentioned by the hon. gentleman. He has not made such an appeal to the federal government, and I do not think he said that the entire 30 per cent related to government purchases.

TRADE

REPORTED INFESTATION OF LUMBER EXPORTED TO AUSTRALIA

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, earlier I directed a question to the Acting Minister of Trade and Commerce based on a report originating from Sydney, Australia, to the effect that a shipment of lumber had landed in Australia which was infested with insects which could cause millions of dollars of damage in that country, and it was alleged that this shipment came from Canada. Has the minister anything to report in this regard?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I understand that this report referred only to one ship. We have checked and found that the ship did not load lumber as a cargo in Canada. It did use some lumber as dunnage in Montreal, but I understand it was kiln dried and fumigated in accordance with standard practice. However, the ship did call at several other ports before reaching its destination. The shipping company is aware of this situation and is continuing to check into it, as are we.

Inquiries of the Ministry

EXTERNAL AFFAIRS

ASSISTANCE FOR EGYPTIAN SOLDIERS DYING OF THIRST IN DESERT

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I have a question for the Prime Minister in relation to news reports that several thousand Egyptian soldiers are now dying of thirst in the heat of the desert. This has caused a good deal of humanitarian concern among Canadians. Has the Canadian government made any representations to the government of Israel in regard to saving the lives of these people and, if not, will the Prime Minister do so?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that and other related matters of a humanitarian nature were considered by the government this morning in an effort to see what we might do with the Red Cross as an emergency measure to assist in this situation. We are in touch with other governments, and I will be glad to get in touch with the government of Israel if we have not already done so, regarding the desirability of doing something about this situation at once.

TRANSPORTATION

CONFERENCE ON PROPOSED BRANCH LINE ABANDONMENT APPLICATIONS

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 his absence perhaps I should direct it to his parliamentary secretary. The Board of Transport Commissioners has called a conference in Ottawa for August 1 to be attended by all interested parties regarding proposed railway branch line abandonments. Could the parliamentary secretary explain the purpose of this Ottawa conference?

Mr. Speaker: Order. I would think perhaps this kind of information should be given on motions rather than by way of an answer to a question at this time.

FINANCE

REPORTED REFUSAL OF CHARTERED BANKS TO MAKE FARM LOANS

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 recent complaints that the chartered banks are turning down

applications for loans under the Farm Improvement Loans Act because of the statutory rate of 5 per cent, will the minister look into this matter as soon as possible and take the necessary remedial action?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I do not have the information to which the hon. gentleman refers, but I certainly will be glad to make inquiries.

CRIMINAL CODE

INQUIRY AS TO AMENDMENTS RESPECTING OBSCENITY IN ART

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Solicitor General relating to the Dorothy Cameron case, in respect of which the Supreme Court of Canada ruled it had no jurisdiction to hear an appeal. There has been widespread criticism of the law in this regard by artistic organizations across Canada, supported by the views expressed in Toronto by the Secretary of State. The reports indicated that the minister intended to look into the matter when she returned to Ottawa, in an effort to make sure that a magistrate shall not have jurisdiction to determine whether art is or is not obscene.

What action has been taken in this regard and does the government intend to bring in an amendment to the Criminal Code to bring this matter up to date rather than leave it in the state it is in today and as it has continued for some years? This has now come to the fore as a result of the supreme court ruling to the effect it had no jurisdiction to determine the matter.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, my colleague the Secretary of State has privately expressed views to me concerning the law as it relates to works of art and literary matters. We have also received submissions, one oral and one written, requesting a change in the law in this regard. All such submissions are considered when amendments to the Criminal Code are being considered.

Mr. Diefenbaker: Is the minister in a position to say whether the government is going to carry out the purport of the views expressed by the hon. lady officially in charge of art in Canada?

Mr. Pennell: I can only say that we will follow the usual course and give serious consideration to all representations made as we review the Criminal Code from time to time.

[Mr. Nesbitt.]

[*Translation*]

LABOUR RELATIONS

BOARD DECISION RESPECTING REPRESENTATION OF C.B.C. EMPLOYEES

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to direct a question to the Minister of Labour.

Since the Canada Labour Relations Board was to render its decision on June 12 last about the request of the C.N.T.U. to represent the C.B.C. employees, can the minister tell us if the C.L.R.B. has reached a decision and when it will be made public?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I am quite sure that any such decision would have been brought to my attention by this time, if it had been announced, and I have not heard of it as yet.

[*Translation*]

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

Could the Minister of Labour tell us if the report of the cabinet committee studying that matter was submitted for consideration by the Canada Labour Relations Board?

[*English*]

Mr. Nicholson: No, Mr. Speaker.

INDUSTRY

GEORGIAN BAY—CONSIDERATION UNDER DESIGNATED AREA PROGRAM

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I should like to ask the Minister of Industry whether, in relation to the recent extension of the designated area program, he considered the strong representations made by the Georgian bay development association regarding the balance of economy in that area?

Mr. Speaker: Order, please. I would think that question should be placed on the order paper.

CANADA PENSION PLAN

INQUIRY AS TO REFUNDS TO EMPLOYERS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to address my question to the Minister of National Revenue. Has the minister arrived at a satisfactory system or formula whereby employers will be paid back

the excess contributions they have made to the Canada Pension Plan, reputed to be as high as $12 million to $14 million?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): No, Mr. Speaker.

Mr. Hales: Will the minister advise the house when he expects to arrive at such a formula?

Mr. Benson: Mr. Speaker, we are presently compiling information and I cannot give an exact date as to when this will be complete. We require this information in order to consider this matter.

DRUGS

INQUIRY AS TO ACTION TO CONTROL INCREASED NARCOTICS TRAFFIC

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to direct a question to the Solicitor General based on a report this week to the effect that there is a heavy increase in drug and narcotic traffic. Naturally we cannot expect an answer in detail, but will the minister assure this house that appropriate action is being taken?

Hon. L. T. Pennell (Solicitor General): I should like to refer the hon. member to the remarks I made at the opening of the debate on my estimates last week. I said at that time that the R.C.M.P. had reason to believe that traffic in hard narcotics was reasonably well under control, but were not as optimistic regarding soft narcotics, particularly marijuana.

EXTERNAL AFFAIRS

STATEMENT AS TO BRITISH SHIPS MAROONED IN SUEZ CANAL

On the orders of the day:

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, on Tuesday last the right hon. Leader of the Opposition asked me a question about four British cargo ships now marooned in Great Bitter lake in the Suez canal. The right hon. gentleman asked whether I could give him any indication as to the condition of these ships and their crews. As I have mentioned, they are British ships. The British government has asked our ambassador in Cairo—the Canadian embassy is now responsible in the United Arab Republic for British interests—to give what help we can to the crews of these ships, and find out anything we can about their condition.

The ambassador sought permission from the U.A.R. foreign ministry and from the Suez canal authorities for consular officials to make contact with the crews of these ships. He has not yet received that permission, but we have learned that the officers and men of the ships seem to be well and in no difficulty.

Mr. Diefenbaker: I thank the Prime Minister.

PUBLIC SERVICE

LEGISLATION TO INCREASE PENSIONS OF RETIRED CIVIL SERVANTS

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. In order to prevent the matter becoming caught in the scramble over a summer recess, will the government now place on the order paper its legislation to provide for increases in the pensions of retired civil servants?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I said the other day that this matter was under urgent consideration. It is. I hope that consideration will be completed shortly. I can assure my hon. friend that it will not be caught in any scramble over a summer recess, because I hope there will be no such scramble.

Mr. Knowles: A supplementary question, Mr. Speaker. Is there any reason why the matter cannot be placed on the order paper within the next few days?

Mr. Speaker: Order, please.

[*Translation*]

TELEVISION

AGREEMENT BETWEEN C.B.C. AND QUEBEC RESPECTING EDUCATIONAL BROADCASTING

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to put a question to the Secretary of State.

Could the minister confirm to the house whether an agreement has been concluded between the Quebec government and the C.B.C. for educational broadcasts for 1967-68, and can she tell us who is responsible for the selection and contents of these programs?

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

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

Inquiries of the Ministry

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): I should like to join with the hon. member for Sherbrooke at ten o'clock, Mr. Speaker, and to put for the first time the following question to the Minister of Manpower and Immigration: Have the Estates General of French Canada requested the government or a group of government members to send a delegation to take part in the meeting which this organization will soon be holding?

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

AGRICULTURE

EGGS—PROTEST AGAINST INCREASED IMPORTATIONS

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I should like to put a question to the Prime Minister and, in order to enable him to understand the problem more clearly, I should like to read part of a telegram addressed to Hon. J. J. Greene by the minister of agriculture of the province of Quebec. I quote:

The federal government has allowed—

Mr. Speaker: Order. The hon. member is aware that the rules do not permit him to read a telegram in support of a question. The hon. member can put his question directly I am sure.

Mr. Ricard: Mr. Speaker, In view of the fact that the Prime Minister has probably not received the message, I simply wanted to acquaint him with its contents.

In his telegram to the federal Minister of Agriculture, the Quebec minister of agriculture protests against the fact that the federal government has admitted 90,000 cases of eggs from January to May 1967, as compared to 15,000 cases for the same period last year. Would the right hon. Prime Minister convince his Minister of Agriculture to take the necessary measures to put an early end to this harmful situation for our egg producers?

Mr. Speaker: Order. This is a suggestion or a representation much more than a question.

[*English*]

HOUSE OF COMMONS

DAMAGE TO PAINTING IN RAILWAY COMMITTEE ROOM

On the orders of the day:

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, my question is for the Secretary of State, or through the minister to the appropriate person connected with the hanging of art in the House of Commons, or paintings.

Mr. Pearson: "Art" who?

Some hon. Members: Oh, oh.

Mr. Pugh: Is the minister aware that the picture "Vimy Ridge" hanging in the railway committee room has become damaged? I suggest that it be looked at immediately and that steps be taken to stop any irreparable damage.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I thought for a moment the hon. member was talking about the hanging of my colleague who usually sits on my left, which has been suggested from time to time.

Some hon. Members: Oh, oh.

Miss LaMarsh: However, this is not the responsibility of my department; it is in fact within the province of the Speaker. But I shall be very happy to have members of the National Gallery staff offer any assistance required so there shall be no damage.

INDUSTRY

BRITISH COLUMBIA—REPRESENTATIONS RESPECTING ECONOMIC DEVELOPMENT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Industry. I might say that I rise as a very sensitive soul who has been touched to the quick because I did not expect to receive from a fellow comrade and colleague the treatment I will mention. In view of headlines to the effect that Mr. Ray Perrault, leader of the Liberal splinter group in the legislative assembly of British Columbia—

Some hon. Members: Oh, oh.

Mr. Herridge: —has arranged a meeting with the minister to plead the Kootenay area's case for economic development, would the minister inform the house if it is now the government's policy to give particular consideration to representations made by Mr. Ray Perrault in ridings in British Columbia not represented by Liberal members of parliament?

Mr. Speaker: Order, please. I do not think this question is in order.

Mr. Herridge: Mr. Speaker, I know the minister would very much like to answer this question, and it is the cause of some concern in British Columbia.

CANADIAN CENTENNIAL

ARRANGEMENTS FOR CHILDREN TO MEET HER MAJESTY THE QUEEN

On the orders of the day:

Mr. Joseph P. O'Keefe (St. John's East): Mr. Speaker, my question is addressed to the Secretary of State. Could the hon. lady tell the house whether any provision is being made for the children of Canada to meet Her Majesty the Queen during her forthcoming visit?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, on the afternoon of July 1, on the grounds of parliament hill, a birthday party will be held. It will be particularly for children but will be open to any Canadian or visitor who may be here. Hopefully there will be many thousands, perhaps tens of thousands, of children here. In addition a special meeting has been arranged for Her Majesty at Landsdowne park with certain selected children.

PROPOSED NATIONAL CONFERENCE ON POLITICAL EDUCATION

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a supplementary question that is related to an earlier question. Some weeks ago the minister indicated that the ad hoc committee dealing with the political youth seminar would be called together to consider the recommendations of the Canadian political youth council. Could the minister indicate when that meeting might be called, in view of the passing of time?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I answered a similar question yesterday. The ad hoc meeting was held and the proposal was rejected, but since that time the centennial commission has offered some assistance. It is now a question whether the citizenship branch will be able to offer other assistance and whether cabinet will approve it.

INQUIRY AS TO NATIONAL TOURS BY CANADIAN PERFORMERS

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, I wish to direct a question to the Secretary of State which will leave nobody in suspense. The question involves the centennial commission. Has the commission lined up other national tours by outstanding groups, such as the one now being undertaken by Don Messer and his Islanders complete with Charlie Chamberlain and the Buchta dancers, who are now in the far galleries from Your Honour, to mark centennial year?

Some hon. Members: Hear, hear.

FINANCE

INQUIRY AS TO SALES TAX EXEMPTION FOR BUILDING MATERIALS

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of Finance. Would the minister inform the house what type of construction will be exempt from the 11 per cent sales tax on building materials under his budget proposal?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, that is a legal question that I do not think is answerable at this time.

Mr. Muir (Lisgar): A supplementary question, Mr. Speaker. Is the 11 per cent sales tax exemption applicable now to home construction?

Mr. Speaker: Order, please. This question cannot be answered at this time.

LABOUR CONDITIONS

VANCOUVER—REPORTED LAY-OFFS BY DRY DOCK COMPANY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I again ask the right hon. Prime Minister the question I asked him on Monday last and referred to yesterday. The Prime Minister did not have the note about it on his desk and thought he might be able to answer the question today.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I did receive the telegram. I answered it and said the matter is being considered by the ministers concerned. I think the Minister of Industry can perhaps supplement this answer.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, as hon. members will be aware since it was mentioned during the discussion of the estimates of the Department of Defence Production, a policy of national competition for government shipbuilding requirements has been introduced which included a transitional assistance program whereby certain federal requirements were allocated for competition on a regional basis only. I understand

that existing government work at Burrard Dry Dock consists of a tidal and survey vessel with a value of some $3.5 million which is scheduled for delivery in late summer, and a research vessel which the company recently won under the transitional assistance program. Work on this research vessel, which has a value of some $9 million, is now in the design phase and it is anticipated that the work force will progressively build up over the summer months.

In addition to this government work already under contract, the company is bidding on two of the new destroyer escort vessels, with the successful bidder to be determined before the end of the year. Finally, invitations to tender for the first of the Restigouche class conversions will be issued during the summer for competition which will be limited to west coast yards.

Mr. Douglas: In view of the fact that out of 800 employees some 350 are in the process of being laid off, does the minister have any figures from the company in question as to when it expects to get back to a full complement of employees.

Mr. Drury: I have not any such figures.

CAPE BRETON DEVELOPMENT CORPORATION

PROVISION FOR TAKING OVER COAL UNDERTAKINGS, DEVELOPING INDUSTRY, ETC.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to establish a Cape Breton Development Corporation to acquire, reorganize and rehabilitate certain coal mining works and undertakings on Cape Breton Island, to conduct coal mining operations in the Sydney coalfield and to promote and assist the development of industry on Cape Breton Island to provide employment outside the coal producing industry and to broaden the base of the island's economy; to provide for the administration of the corporation and its initial financial and operating capital requirements including the consideration or compensation established or determined to be payable in connection with the acquisition by the corporation of the said coal mining works and undertakings, the sum of twenty-five million dollars for the purpose of reorganizing and rehabilitating the said coal mining works and undertakings and for preparatory work in connection with the conduct by the corporation of coal mining operations, and the sum of twenty million dollars for the purpose of promoting and assisting the development of industry on the island.

Motion agreed to and the house went into committee, Mr. Batten in the chair.

[Mr. Drury.]

[*Translation*]

Mr. Pepin: Mr. Chairman, I have kept very carefully, for several months, in order to use it today, a quotation from the London *Observer*, published in the Vancouver *Sun* of August 19, 1966.

[*English*]

Democratic politics is the art of finding sound policies that are also acceptable to the people.

The resolution and the bill that we are about to introduce are of that kind. Those of us who have worked on it, and we worked hard, Mr. Chairman, think that the content of the bill is sound, that it offers the best solution in the circumstances to a most difficult problem. They hope that spontaneously or after reflection the public will agree with them.

For the benefit of those who are not too familiar with the Cape Breton coal problem, Mr. Chairman, may I offer a few basic background elements. The coal industry in the Sydney-Glace Bay district employs some 6,500 people; that is in the mines, in the railways and in the shops. Along with the steel workers they represent one third of the wage earners of the area.

The Dominion Coal Company Limited, a partly owned subsidiary of Dominion Steel and Coal Corporation, that is Dosco, owns and operates No. 12 colliery at New Waterford, No. 21 and No. 26 collieries at Glace Bay.

The Nova Scotia Steel and Coal Company Limited, a wholly owned subsidiary of Dosco, owns the Princess at Sydney Mines, also referred to as Old Sydney, and McBean mine also referred to as Acadia, in the Pictou area. The production of the three collieries of Dominion Coal I have mentioned amounts to 2.6 million tons per year, and they employ 3,790 people on an average. These figures are for 1966. The production of the other group, that is Princess and McBean, is as follows: Princess, about 600,000 tons; McBean, about 200,000 tons, which is 800,000 tons altogether. Princess employs 1,071 people and McBean 376.

Added to this there is the contribution of the independent operators. There are three of them in Cape Breton and four of them on the mainland. They produce altogether a little less than half a million tons of coal per year. The total production of coal in Nova Scotia in 1966 was 3.8 million tons, and in the Sydney coal field 3.3 million tons. This gives an idea of the importance of that production.

What about reserves? Even under the most liberal of geological assessments the coal resources of Nova Scotia comprise no more than 3 per cent of the Canadian coal resources which, as you know, are confined mostly to western Canada. The existing working and structural plant of the seams of the Sydney coal field point to the extension of the coal seams to about 12 miles out to see. Coal is now currently being extracted up to four miles under the sea and at depths approaching 3,000 feet from the sea bottom. I have been down there, as some other members have, and I must say I was surprised to realize that it sometimes takes more than one hour for people to move from the pit head to the face of the mine. Of course the same time is consumed coming back after a day's work.

• (3:30 p.m.)

Consequently we are faced with increasing problems of transportation, rock pressure and ventilation which bear directly on mining costs and the costs of maintaining safe working conditions. These considerations place a finite limit on the amount of coal which can be recovered, even by using the best tools which current mining technology provide. It should be added, Mr. Chairman, that coal is in competition with other sources of energy in the maritimes and in other parts of Canada and in other parts of the world. We very often read in the daily press and in magazines on the situation in France, Great Britain, Germany and Japan. Coal presents a problem in all of these countries as a result of technological changes. We are not in the nineteenth century any more. Coal today is not the near-exclusive source of energy that it was then. Canada is not the only country in the world with a major coal problem. The situation in regard to coal in the maritimes will be further aggravated if the current offshore exploration program in respect to oil and gas is successful.

A word or two about markets, Mr. Chairman. Fifty-two per cent of the Nova Scotia production is marketed in Ontario and Quebec at very high subsidy cost. May I give some examples. To move coal to Toronto requires a subsidy of about $9, to Noranda about $7.50, to Sudbury about $9.50, to Trois-Rivières about $8. The remaining 48 per cent, or about 2 million tons, was marketed in the four Atlantic provinces at lesser subsidy costs, the average there being about $6.66. Hon. members know that the maximum federal subsidy is $10.50 in Quebec and Ontario and $8.50 in the Atlantic provinces.

The current market for Dosco coal in the Atlantic provinces is about 1.1 million tons per year. The thermal power coal market is not expected to grow significantly beyond the 1.5 million tons level in the Atlantic provinces because of the probability, perhaps I should say the certainty, of new power plants being based on oil rather than on coal.

To illustrate the uncompetitive nature of coal, let me say that residual oil is available at Atlantic and St. Lawrence ports at about $2.15 per barrel, which is the equivalent of about $9.10 per ton of coal. Dosco coal at the pithead currently costs about $14 per ton, and with a minimum transportation rate of about $3 per ton the level of subsidy required to make it competitive with oil in the Atlantic provinces and at St. Lawrence ports would be at least $8 per ton.

Feasibility studies have shown that a mine-mouth power plant is not an attractive proposition compared to the shipping of coal to existing generating centres. Some hon. members might disagree with that but this is the best information available to us at this time. The metallurgical coal market of some 500,000 tons to the Sydney steel plant has been largely lost to United States coal due to a high and increasing sulphur content in the Sydney coal, notwithstanding efforts which have been made to purge the sulphur from that coal. Last year 474,000 tons were imported from the United States for the Sydney steel plant and only 120,000 tons from the Sydney coal mines were used by the plant.

The difficulties of coal mining in Cape Breton are thus of long standing, Mr. Chairman. The industry has been investigated by several royal commissions, the last three being in 1946, 1960 and 1966, and also by a collection of committees. During 38 years of subvention payments the Nova Scotia coal industry has received nearly $200 million in subventions. Over half of this has been provided since the public hearings of the 1960 royal commission on coal.

Perhaps it would be well to underline that in 1957-58 the subventions were about $8 million, in 1964-65 $17 million, and that this year they will be $31 million. This figure is a little bloated because it includes some carryover from the previous year. The estimate for next year of $27.4 million gives a better picture of the situation.

The amount of subvention per coal miner represents today over $4,000 annually.

Cape Breton Development Corporation

Mr. Lewis: That is an improvement on the figure given by Dr. Donald. As I remember it his figure was $3,500 or somewhere around there.

Mr. Pepin: I do not know that I would call that an improvement.

Mr. Lewis: The word "improvement" was in quotes.

Mr. Diefenbaker: Would the minister allow a question? What is the average production per miner on which those statistics are based?

Mr. Pepin: It varies very much from one mine to another.

Mr. Diefenbaker: But what is the average?

Mr. Pepin: I would say that two or three tons a day would be a good average but I will check that to make sure.

Mr. Lewis: I think 2.8.

Mr. Pepin: In comparison with production in other countries, for example, strip mining in the United States, I think the figure is four or five times lower than the results achieved in the United States by strip mining. However, I will come back to this because I would not want to give a false impression.

In addition to direct coal subventions, other forms of assistance to Nova Scotia coal mines amount to some $5 million per year. This assistance is provided under the Atlantic Provinces Power Development Act, the Maritime Freight Rates Act, the Canadian Coal Equality Act and the Coal Production Assistance Act.

I have before me the subventions per mine, and if during the course of debate hon. members would like to have them I would be delighted to provide them.

In 1950, following the 1946 royal commission report, Dosco embarked on a $18 million program to rehabilitate the mines and introduce new mechanical coal cutting equipment. This program was financed with the aid of a $7.5 million loan from the federal government under the Coal Production Assistance Act. I might point out, by the way, that the principal and interest payments are now in default by about $5 million.

This financial transfusion, however, was not sufficient. Early in 1965 Dosco informed the government that in order to continue operating it would require large capital grants ranging from $21.5 million to $37.8 million for a second major program of mine rehabilitation.

Subsequently Dosco informed the government that it wished to withdraw from coal mining altogether, and it offered to sell its entire coal mining interests to the government. So the mines will be forced to close unless substantial new capital is provided for rehabilitation and modernization. It is obvious that no commercial organization or financial institution is willing or eager to advance the necessary capital funds.

• (3:40 p.m.)

[*Translation*]

The policy followed by the Canadian government has been influenced by several major considerations. One of the first considerations is the limited viability of the Dosco mines.

A factor other than the one I have just stated is the intention of the Dominion Steel and Coal Corporation to get out of its coal mining operations in Nova Scotia.

A third factor is the need for very large capital to modernize and rehabilitate all those mines. A fourth is the lack of a market for Nova Scotia coal without federal subsidies.

I do know that there are markets, as I have often been told, but those markets remain as long as the federal subsidies remain and, moreover, provided those subsidies are increased.

At the present production pace of 3.5 million tons per year, it has been calculated that subsidies would have to reach close to $400 million during the next fifteen years; even then, the basic sources of the problem would not be eliminated. In other words, if we do nothing today, if we simply continue the present policy, fifteen years from now, having spent $300 to $400 million, we will be faced with the very same problem as we have today.

Mr. Lewis: As in the past.

Mr. Pepin: As in the past. I am not here to blame or justify the actions of past governments; I leave that to the conscience of the members of this house. I consider that all the preceding governments meant well, and I am not accusing them of not having done any better.

Of course, we cannot allow this situation to endure. However, nowhere in Canada shall we find one social problem comparable to this one. Here, and I insist upon this because it is the reason for our intervention, here we are faced with an important urban labour force, we are faced with established collectivities

which depend almost entirely upon a big industry which is no longer profitable, which cannot survive for more than a few years, by means of substantial subsidies. This is probably the most thorny problem that this country has ever had to meet.

The coal problem in Cape Breton is essentially a social problem. It is because of its concern for the welfare of individuals and collectivities, and not for the welfare of companies, that the government intends to subsidize the regional economy so that it may evolve from a state of subjection to a declining natural resource toward a more wholesome economic situation.

Undoubtedly, extraordinary efforts will be required and that is what we will be asking the house today, to activate the industrial renewal so as to create new jobs in that area.

Since the development of resources is involved, it seems that corrective measures should be left to the province. This opinion was often expressed before me. The answer is that the Canadian government has historically been involved through its subsidies programs which have kept the mines producing long after they would have been forced to close down, and this would have caused considerable economic and social dislocation.

That is why the Canadian government feels somewhat obligated—together with the Nova Scotia government—to provide financial and other assistance as long as the Sydney collieries are operating.

[*English*]

It was in the light of the foregoing circumstances that the government, through the then minister of trade and commerce who is now Minister of Finance, asked Doctor J. R. Donald to investigate the Cape Breton coal situation once again and to recommend a possible solution. Doctor Donald submitted his report and it was tabled in parliament on October 11, 1966. There is much good philosophy in the Donald report. I mention that partly because the hon. member for Qu'Appelle accused me yesterday of lacking philosophy in the presentation of my estimates. There is much good philosophy, as I said, in the Donald report.

Doctor Donald examined the coal industry not in isolation but in relation to the broad economic and social conditions prevailing in that region. His approach was not only economic and financial; it was also humanitarian and social. His recommendations are based on the fundamental premise that even on a heavily subsidized basis the realistic working life of the Sydney mines can hardly exceed about 15 years, and that the government should use this period to prepare in a positive manner for the cessation of coal mining. This preparation must involve the creation of new foundations for the Cape Breton economy and a new and more attractive economic environment. That is the only way to forestall the economic debacle which would otherwise result from the closure of the mines.

Doctor Donald says that the choice is not one of preserving or not preserving coal mining indefinitely; the choice is one of planning or failing to plan for what is inevitable. The government is indebted to Doctor Donald for his analysis of the Cape Breton coal problem and for his imaginative and enlightened recommendations. I am pleased to see him in the gallery of the house at this time.

The report was criticized at first, mostly, of course, by the miners and also by other people, some of whom said it was not generous enough while others said it was too generous. I have always been comforted when people around me say that I do not move fast enough or others that I move too quickly. I expect that Doctor Donald also likes this position.

The Chairman: Order, please. I must advise the minister that the time allotted to him has expired.

Some hon. Members: Carry on.

The Chairman: Does the committee give unanimous consent for the minister to carry on?

Some hon. Members: Agreed.

Mr. Pepin: Mr. Chairman, I feel that this report will be a landmark in the economic history of Canada. Doctor Donald made many recommendations, but considering the lack of time I will not spell them out. We have agreed to very many of them and they will be found in the legislation and in the agreement that was tabled today.

On December 29, 1966, the government, I repeat, following careful consideration of the Donald report and its recommendations, the receipt of views of interested persons and organizations, and discussions with the government of Nova Scotia, announced in consort with Nova Scotia certain basic points of policy. The Minister of National Health and Welfare and I went down to the area to listen to the views of the people. We have received many views since then, just as other ministers had received many views before. As I say, on December 29 in consort with Nova Scotia we

announced certain basic points of policy. May I spell them out.

1. We agreed that parliament be asked to establish a suitable crown corporation, in which both Canada and Nova Scotia will participate, to acquire, reorganize and manage the coal mining interests of the Dominion Steel and Coal Corporation and simultaneously to help promote and finance the development of industry on the island of Cape Breton.

2. For these purposes, Canada agreed to make a contribution of $45 million to the crown corporation, for the rehabilitation and operation of the mines about $25 million and for the development of new industry about $20 million.

3. Nova Scotia agreed to contribute $10 million to the initial economic development fund of the corporation.

4. In place of the present system of providing subsidies to a private corporation on its individual coal sales, the government agreed to request parliament to provide funds to the crown corporation to enable it to mine and market its coal to the best advantage, that is, to underwrite the annual coal losses of the crown corporation.

5. Canada agreed to augment the initial industrial development fund of the crown corporation from expected savings in federal subsidies resulting from reductions in the level of coal production.

6. It was agreed that the crown corporation, in rationalizing the mines, should give full consideration to the need for orderly adjustment, including the implementation of a generous early retirement plan as recommended by Doctor Donald.

7. In view of the federal government's acceptance of the major financial responsibility for the long-term solution to the coal problem of the Dosco mines in the Sydney area, a problem of national concern, Nova Scotia agreed to accept complete responsibility for the independent coal mines of Nova Scotia. These are the several independent coal mines that I have already referred to.

• (3:50 p.m.)

8. Nova Scotia agreed to consult with the crown corporation on coal markets in order to maintain an orderly market for Nova Scotia coal.

9. Nova Scotia agreed, moreover, to issue no further coal mining permits or leases during the next 15 years unless the application for the coal permit or lease carries the approval of the crown corporation.

[Mr. Pepin.]

10. The opening of a new mine at Lingan has been a matter of much controversy. In view of the government undertaking of October, 1965 and of Doctor Donald's strong recommendation against it, the government agreed to allocate sufficient money to fulfil its own commitment but to leave to the crown corporation the decision as to how these sums can best be used in the interests of the community.

11. Canada and Nova Scotia agreed to establish a joint framework which will permit the concentration and co-ordination of all federal and provincial efforts to promote the economic development of Cape Breton island.

There are all sorts of organizations already in existence at the federal and provincial levels. We do not want to duplicate these efforts. There will be a great need for co-ordination between the two levels of government.

Mr. Lewis: Before the minister speaks on another point, may I ask him whether one would be right in assuming that any payment to be made to Dosco for its alleged assets in Dominion Coal and Nova Scotia Steel and Coal would be in addition to the sums mentioned in the resolution?

Mr. Pepin: Yes, but we can deal with that more profitably when we are discussing the legislation itself. There are clauses in the legislation in connection with the acquisition of the mines. I can guarantee that it is our interpretation that the money which may have to be paid for the acquisition of the mines is additional to the sums mentioned in the resolution.

I was talking about the agreement with Nova Scotia. Since the joint announcement in December by Canada and Nova Scotia of the basic points of policy on which the two governments are in accord, detailed discussions have been held with the province. I labour this point a little because people have so often asked, in the press and elsewhere, what we were doing at that time. I can guarantee that we have been working on this legislation, but the subject is much more complicated than is realized by many of the people who were asking us questions. The Leader of the Opposition knows how difficult and complex the writing of legislation can be. As a former professor of political science I did not suspect it would be as complicated as it is.

Mr. Diefenbaker: One learns from experience.

Mr. Pepin: I expected the right hon. gentleman to invite me to go back to the university

in view of the fact that I am now more competent to teach properly.

The agreement I have tabled today contains provision for co-operation between Ottawa and Halifax in a number of areas which I shall enumerate. They include the form and functions of the Cape Breton Development Corporation and of its two divisions, the coal division and the industrial development division; the responsibility of each government in respect of the corporation; the matter of the annual capital and operating budgets of the two divisions of the corporation; the annual report of the corporation—the corporation will, of course, have to report to both governments; the early provision of a target phase-out timetable for the coal mines; the general means by which the two governments will co-ordinate economic development activities on Cape Breton island; the acceptance by Nova Scotia of responsibility for the independent coal operations; the agreement that no further coal mining permits or leases will be issued for the next 15 years without the approval of the corporation, and so on.

Thus, the two preoccupations of the corporation are the nationalization of the mining operations and the stimulation of industrial development in Cape Breton. Both are of equal importance. Can Cape Breton be stimulated? Can the economic base of Cape Breton be broadened to use the wording of the resolution? My colleague the Minister of National Health and Welfare will, I hope, take part in this debate. He will tell the house about recent developments in Cape Breton and about the federal contribution to these developments. He will tell us about the contribution made by the various departments—transport, public works, industry, manpower—and about the contribution made by the agencies of the government such as the Atlantic Development Board and ARDA. He will tell us about the new industrial park at Point Edward, about the new heavy water plants, about the new B.A. refinery project at Point Tupper.

I have studied these things with him. I have taken part in some of the negotiations and consultations which led to some of these projects, and I must say I am optimistic. Hon. members expect that from me, anyway. But very often in the past we have been told that there is no future for Cape Breton in coal and steel. Present events are demonstrating, I think, that there is a future for Cape Breton, partly out of coal, anyway, and that Cape Breton can be modernized.

I have read a report on the B.A. refinery project for Point Tupper which is of extreme interest. This project could contribute immensely to the broadening of the economic base of Cape Breton.

The purpose of the forthcoming legislation is to delegate to an autonomous crown agency the responsibility for carrying on this developmental work. I am well aware that problems of the magnitude which face Cape Breton island cannot be solved by governments alone without the full support of the people themselves. Without their help one cannot arrest the social blight which has afflicted their area. That we shall receive their support I have no doubt, for as Mr. Justice Rand wrote at page 50 of his report in 1960:

> The people who make up the communities concerned, miners and their families, clergy, professionals, tradesmen, skilled and unskilled workers, are of the ordinary stuff of Canadians and, in general, are outstanding in personal relations, in friendliness and hospitality.

One cannot imagine such a people failing to respond to this new challenge. I am sure they will take an active part in the rebuilding of the economic basis of their island.

Mr. Lewis: Before the minister resumes his seat, may I ask him a question—unless the hon. member for Cape Breton South is rising to ask a question?

Mr. MacInnis (Cape Breton South): It is quite possible I shall be asking a considerable number of questions and I trust the hon. member for York South will get the answers to his at the same time.

The minister told us that the resolution was a landmark in the economic history of Canada. I hope that in particular it will be a landmark in the economic history of Cape Breton island. If we wait as long for the implementation of this resolution and the bill that will follow it as we waited for other potential developments that were to take place, the miners in Cape Breton will continue to go underground for a considerable time yet.

• (4:00 p.m.)

The minister gave us a rundown on what the Minister of National Health and Welfare will have to say about economic development in Cape Breton. He referred to the B.A. development, the heavy water development, and so on. I trust that when the Minister of National Health and Welfare addresses the committee he will give members an understanding of what the Liberal leader in Nova Scotia said during last month's election campaign about developments in Cape Breton in recent

years. I trust he will point out the actual facts.

I and I think all other hon. members directly interested in the coal industry in Nova Scotia are willing to expedite the passage of this resolution in order that we may get the bill before the house, at which time we may have further remarks to make. However, when making his arguments on behalf or in favour of Cape Breton whichever way one wants to look at them, the minister returned to another touchy subject, and I think it is time the government told the people of Canada the truth with respect to what is involved in subventions or subsidies paid to support Cape Breton coal mining. I appreciate very much, and I hope I will continue to appreciate, what is being done now for the mining situation in Cape Breton, but it is only right that the committee be given more of the history of what mining has meant to Cape Breton and what future developments to replace mining will mean.

At present in the town of Sydney Mines 38.6 per cent of the actual working force is employed in the coal mines. In the Glace Bay area 38 per ent of the actual working force is employed in coal mines. In the town of New Waterford 56 per cent of the actual working force is employed in coal mines. This gives an over-all average of 44 per cent of the work force employed in the mines. Everybody must understand what that means to the economic base of the area. Without the mines there would be no such towns. They could not possibly exist without the work which the mines provide.

Prior to the 1963 election Liberal candidates in Cape Breton as part of their platform said that a Liberal government would bring about great development, would start a research program and look after sales. But history moves on, and on October 5, 1965 in the city of Halifax, not in the coal mining area, the Minister of National Health and Welfare made a grand promise of $25 million to mechanize and improve mining in Cape Breton. Not only did he promise $25 million but poll workers for the Liberals in all the mining towns had the flat statement in their instruction books that $25 million would be given to the coal industry in order to put new life into it.

History moves on further to 1967 and now, despite assurances given over the last 20 months by the Prime Minister, the Minister of Transport, the Minister of National Health and Welfare, the Minister of Energy, Mines and Resources and the Minister of Industry—you name them, they are all included—that the policy announced on October 5, 1965 would be carried out, we have here what I hope will prove to be the answer to our problems. Unfortunately, however, another problem is developing. Mention of this other problem was made today by the Minister of Energy, Mines and Resources, although this resolution does not tie in with it. We all hope that the future new development will have favourable consequences and that it will prove to be what we all hope it will be and give new opportunity to the working force.

I trust that the bill to the resolution will give an assurance to each and every miner that before he is displaced from a colliery he will receive employment elsewhere. The difficulties in this connection will be tremendous, because one cannot just phase out a coal mining operation by taking individuals out of the mine. As many as 300, 400 or 500 new jobs will have to be available for the men taken out of a coal mining operation. There is also the question of training to be considered. The government will have a hard task before it.

I draw some satisfaction from the fact that, following passage of this resolution and the bill which will come before us on Monday, until the new development corporation can get its schemes off the ground the miners will have the protection of this legislation. However, I take strong exception to some remarks made by the minister. Since 1963, when the government took office, its members have been unable to differentiate between subvention and subsidy. Today the minister referred to subsidies and what they would mean. He used the word subsidies and said they mean a total of $4,000 per year to each and every miner employed in the coal industry.

The hon. member for York South questioned this figure and referred to the fact that Doctor Donald used the figure of $3,500. Doctor Donald was the commissioner appointed by the government to look into the matter of subsidies, and that was the figure he used. But worse, within the last month the Minister of Indian Affairs and Northern Development had the audacity to say that these subsidies would mean $7,000 per year to each and every miner employed in the Cape Breton coal fields.

We have a situation where Doctor Donald says $3,500, one minister says $4,000 and another minister says $7,000, and we keep on hearing these ministers use the word subsidy. Let it be understood by the minister once and

for all that it is not only the miners who are covered by the subventions. Without these subvention payments we could not get our coal to market, but the subventions cover any number of C.N.R. employees and the employees of other carriers. The subventions are paid to the carriers; they are not subsidies paid to the coal company itself.

The minister is still shoving the same old argument down our throats with respect to what the government has been doing. I say, let him point out the number of other industries and other developments in the economic life of this country that are also getting subsidies from the government. If he wants to talk about subsidies he can talk about the American magazines that are receiving subsidies. But no, one of the ministers talks about $7,000 a year as a subsidy to each coal miner. As I said to that minister when he made his stupid statement in the first place, if he wants to save money why not give $5,000 a year to each and every miner? They will be happy to spend the next 15 years of the phase-out period receiving $5,000 a year. According to the minister's figures this would be a saving of $2,000 per year on each and every miner employed in the coal fields.

• (4:10 p.m.)

Now we have a Cape Breton crown company. The hon. member for Coast-Capilano made a grand statement about this industry being one which we allowed to die. A member of the New Democratic party, speaking in Montreal—I cannot recall the date—said that they did not believe in nationalizing a dying industry. If this should be questioned I will do the research because it will only take a minute or two to check the date. I realize that the hon. member for York South is very anxious to have something to say on this matter. No doubt he has some questions to ask. I believe that the hon. member for York South could tell an interesting story about what may have developed on the sixth floor yesterday when the individual from the Canadian Labour Congress who recently joined the Prime Minister's staff ran the risk of getting his mouth shut in the proper way. Possibly the hon. member for York South could tell us the story.

It is regrettable that the agreement signed by the province of Nova Scotia and the federal government was placed in my hands only 15 minutes after the house opened, because I did not have much of an opportunity to go over it. No doubt, with Premier Stanfield's name on it, it is acceptable to me in most instances. There is one question but I can deal with it later when referring to the policy statement made by the Prime Minister.

With regard to the acquisition of the coal mines from Dominion Coal, I should like to refer in part to the policy statement of the Prime Minister on Cape Breton coal which was released on December 29, 1966. At the bottom of the first page and the top of the second page it reads as follows:

> Assured of the participation of the government of Nova Scotia, the government of Canada is prepared to ask parliament to establish a suitable crown corporation—the composition and powers of which will be defined by the two governments at an early date—to acquire, reorganize and manage the coal mining interests of the Dominion Steel and Coal Corporation and simultaneously to help promote and finance the development of modern industry on the island of Cape Breton, within the context of a comprehensive economic plan for the redevelopment of the Cape Breton economy.

The resolution before the house covers that statement. He went on to say:

> For those purposes the government of Canada will make a capital contribution of $45 million to the crown corporation for the rehabilitation and operation of the mines (about $25 million) and for the development of new industry (about $20 million).

I think we arrive now at the question to which the hon. member for York South was anxious to have an answer. I did not quite catch the minister's answer. Apparently the $25 million is for the rehabilitation of the coal mines and will be used for that purpose. The $20 million for the development of new industry will also be used only for that purpose and anything else paid for the acquisition of the coal company assets will be something which the federal government will look after over and above the other sums. Here I might make a recommendation to the government. In the acquisition of the coal company assets by the crown company there should be a rider attached—this might be part of the answer to the problem in respect of steel—to the effect that, since this company has done nothing but let the operations go downhill from the time it came to Nova Scotia, any money involved in the transaction between the federal government and Dominion Coal should remain in Cape Breton. This money might be used to help develop the steel industry in Sydney. In any event, it should remain in Cape Breton. Otherwise I would recommend to the minister that the whole thing should be expropriated. The shareholders of Dosco would not be hurt financially. It is granted that they would lose money, but anybody who could afford to hold Dosco stock

over the years without receiving a dividend would not miss the money.

The Prime Minister in his statement went on to say:

> The new crown corporation will have, as one of its two objectives, the broadening of the industrial base of Cape Breton. To further this objective, the government of Canada will augment its initial $20 million economic development contribution to the crown corporation from expected savings in federal subsidies.

There is that word again, Mr. Chairman. One would think that in respect of something like this they would use more care in choosing their terms.

Mr. Pepin: Mr. Chairman, may I be permitted to interrupt? I have the Concise Oxford Dictionary definition of the word subvention. It is: "Grant of money in aid, subsidy."

Mr. MacEwan: That is not a recognized authority in Cape Breton.

Mr. Muir (Cape Breton North and Victoria): You had better get another dictionary.

Mr. Pepin: I am ready to accept that the Oxford Dictionary is not a recognized authority in Cape Breton.

Mr. MacInnis (Cape Breton South): Now that the minister has convinced himself that a subsidy and a subvention are the same thing, probably he could clarify for the benefit of the members of the house how much money went to the Dominion Coal Company as a subsidy. Is he prepared to say that a cheque was sent or will he admit that this money was paid to Canadian National Railways and other carriers?

Mr. Pepin: The subsidy or subvention was paid to the coal producers of Nova Scotia.

Mr. MacInnis (Cape Breton South): The minister had better do some homework. The Prime Minister's statement continues:

> In addition, it is the intention of the federal government to establish with the province a joint framework which will permit the concentration of all federal and provincial efforts to promote the economic development of eastern Nova Scotia and Cape Breton Island in accordance with a comprehensive plan.

I do not intend to say too much about that. The hon. member for Pictou is far more qualified to speak on that question. However, the resolution before us, unless the bill provides otherwise, is definitely not in accordance with the policy announcement of the

Prime Minister. The Prime Minister made this definite statement:

> —the economic development of eastern Nova Scotia and Cape Breton Island in accordance with a comprehensive plan.

• (4:20 p.m.)

Again I repeat that the hon. member for Pictou, who has much more personal knowledge of he situation in this area, particularly in respect of the McBean mine which has been eliminated under the resolution, will deal with this matter when his opportunity arrives. The statement then continues:

> The government of Canada and the government of Nova Scotia believe that a rigid adherence to a fixed timetable to reduce the level of coal production might involve unnecessary hardship on the dependent communities. Consequently, the rationalization of the mines will be related to the success in the introduction of new industries.

The Chairman: Order, please. I must advise the hon. member for Cape Breton South that his time has expired.

Some hon. Members: Carry on.

The Chairman: Does the hon. member wish to continue?

Mr. MacInnis (Cape Breton South): Yes, Mr. Chairman, and I thank hon. members for their indulgence. I will try to wrap up my remarks in a few minutes so that other members who wish to speak in support of this resolution will have an opportunity to do so. The Prime Minister's statement then continues:

> The crown corporation will be instructed to give full consideration to the need for orderly adjustment, including the implementation of a generous early retirement plan for the miners as recommended by Dr. Donald.

I should like to have the assurance of the minister that there will be a guarantee in the bill to follow regarding the need for orderly adjustment and the implementation of a generous early retirement plan so the miners can depend on this legislation. I am particularly interested in this point because of the situation in Cape Breton in respect of the $30 per month supplement to old age security payments. I hope the Minister of National Health and Welfare will listen closely to my remarks because prior to that legislation coming before the house he apparently did not fully understand the situation regarding these retired miners.

In my opinion every retired miner in Cape Breton who is receiving a gratuity from the company—I will not refer to it as a pension—is entitled to the $30 supplement unless he is receiving income from another source.

The Minister of National Revenue includes the gratuity paid by the Dominion Coal Company as income with the result that retired miners in Cape Breton are receiving only $8 to $13 per month instead of the $30 per month supplement. The miners should be given the assurance that this legislation will contain some protection for the $75 per month they receive from the company. If the crown corporation decides that this gratuity should be protected as a pension I am sure this will be acceptable to the retired miners. It is my hope that the crown corporation will assure the retired miners of Cape Breton that they will receive this payment from the Dominion Coal Company as an earned pension. Since 1953 all retired miners receiving $75 per month from the Dominion Coal Company have only been able to qualify for $35 per month at age 70 when they began to receive old age security payments. In other words, the company has cut the gratuity down to $40 per month on the basis of the fact that it has to pay 2 per cent of income toward old age security payments. For this reason I say it is ridiculous for the Minister of National Revenue to argue that this gratuity is a part of income.

The payment of $75 per month to the miners was never based on a signed agreement between the union and the company. It was never the result of an agreed contributory plan and therefore it has never been protected. The company could cut off the payment completely at any time it wished. Since an agreement was signed, as a result of the Canada Pension Plan to which the miners contribute, there is no assurance that these retired miners and miners who retire in the future will continue to receive this payment. I hope the crown corporation will look into this situation and provide the necessary protection.

Let me turn again to the Prime Minister's policy statement. Hon. members may have some difficulty in following my remarks regarding this statement as I have read various parts and interjected my own comments. The statement continues:

> Subject to these conditions, the government of Canada believes that an orderly reduction in the output of these mines to an annual rate of about 2 million tons as recommended by Dr. Donald will be necessary because of rising costs and the limited life expectancy of the mines; and the government of Nova Scotia accepts this view.

It is my belief that under present circumstances coal operations will have to continue for a considerable time. The most realistic part of this resolution is the expressed intention of the government to spend a great deal of money on mechanization. As a result of recent developments in the Middle East I believe that coal as an energy fuel is even more important. As someone has put it, the great "King Coal" is not dead. Unfortunately I cannot relate that remark directly to Cape Breton coal but generally speaking the demand for coal is not decreasing.

The minister went to great pains to indicate the amount of United States coal being used in the Sydney steel operation. The fact remains that Cape Breton coal is still considered very good for steam production and the demand in this regard is increasing. The need for coal is far from disappearing, particularly when one considers the importation of coal from the United States.

One of the greatest difficulties in respect of coal production in Cape Breton is in moving the coal from the underground face to the surface. I am convinced that if the government started a pilot project at one of these mines using the very best transportation equipment to get the coal from the face to the surface it would prove economical. Coal cutting and mining equipment has become very sophisticated and production costs can be greatly reduced. In view of the recommendation in the Donald report to cut coal production back to 2 million tons I hope the government or the crown corporation will waste no time in setting up a pilot project at one of these collieries. When the results of such a project are ascertained perhaps the feasibility of continuing to mine Cape Breton coal will be apparent.

• (4:30 p.m.)

I could say a great deal more about the benefits of new industries in the area and how they will help the over-all economic picture, but I will forgo any further remarks until the bill has been presented. I trust it will contain guarantees for the protection of retired miners. In this way, regardless of the opinion of the Minister of National Revenue who insists that the payments they are receiving represent pensions, the miners in Cape Breton will have the benefits of these payments as well as old age security.

With all these new developments and as a result of the efforts of this crown corporation I am sure that rather than a cutback in production to 2 million tons there will be further development of the coal industry. We must remember that as late as 1965 the statement was made that a new mine would be opened

at Lingan and the entire coal operation would be mechanized. Then as late as 1966, possibly even as late as 1967—I could check this very easily—the statement was made that the policy of spending money on modernization was supported by a good number of cabinet members. I trust that the crown corporation will spend a great deal of effort in developing and improving the coal situation, because when one considers development in other areas one realizes that we need all the assistance we can get. I trust that hon. members will see fit to support the bill and that it will contain the promises which have been made in this connection.

Mr. Lewis: Mr. Chairman, I suggest that the hon. member for Cape Breton South was right, for two reasons, when he twitted the minister and others for constantly repeating the total amount paid by way of subventions or subsidies. First, subsidies and subventions of one sort or another are not new in the development of the Canadian economy. I have a great deal of sympathy with the miners of Nova Scotia for resenting the implication of the suggestions constantly made that they have been beneficiaries of particularly privileged treatment, when in fact subventions have been made over the years to the western coal producers and support prices have been instituted for other products and resources in our economy.

An economy such as Canada's, stretched over many thousands of miles from one ocean to the other, frequently presents the country with a need to support the production and transportation of a particular product, one instance being to bring cheaper fuel to the markets in central Canada. My friends in Cape Breton, Nova Scotia generally and the other Atlantic provinces refer at times to those in upper Canada as having been greedy throughout the 100 years history of this country. I agree with the hon. member for Cape Breton South in his objection to the constant reference to subsidies. But, second, that is not the problem. The problem, as the minister has stated and as Doctor Donald has stated, and as many other inquiries before Doctor Donald's have established, is the constant, almost total economic deterioration of a whole community, and the fact that the two major industries on which the community of Cape Breton has depended and still depends have been over the years on a toboggan slide downward. For this reason, even though my colleagues and I of course support the belated but useful step taken by the government as indicated in this resolution, I submit that once again this government and this parliament under the leadership of the Liberal government will take a half step instead of a full step to deal with the community problem of Cape Breton because the resolution deals with only one industry in the area.

The Minister of Energy, Mines and Resources referred in glowing terms to the report of Doctor Donald. Undoubtedly it is a very important document, couched in concern for the community and the human problems involved. But his terms of reference, as I remember the statement in his report, were limited to a consideration of the coal industry. So he considered that industry. But the fact is that there is another industry on which Cape Breton's future depends and that industry is also going down. The same corporation is involved. Unemployment is increasing in that industry, in the Sydney plant. Neither this resolution nor the legislation to be based on it deals in any way with the second industry which is the basis of the Cape Breton community, namely, the steel industry. That is my complaint and the complaint of my colleagues about steps now being proposed by the government. I will come back to that in a moment, if I may, Mr. Chairman.

I went to Cape Breton island for the first time about 30 years ago. I do not recall whether I had the privilege of meeting the hon. member for Cape Breton South at that time. He is probably too young. But the thing that has struck me over the 30 years—and the blame for this lies at the door of this and other governments, federal and provincial—is that every time I have gone back to Cape Breton, and I have done so, I suppose, about 20 times in the 30 years, I have found that the same problems existed but they had grown worse every subsequent time I visited there.

Inquiry after inquiry has been held. The Minister of Energy, Mines and Resources referred to one of them. I think there have been four of five inquiries. The volumes of the reports and their supplementary data could fill a library. Almost every one of the reports—and over the years I have studied most of them—has emphasized the need of doing something fundamental, even though none of them was quite as extensive and broad as Doctor Donald's and, I would say, Mr. Rand's report of 1960, if my memory serves me right.

For all these years we did nothing as a country or as a province. What has been the result? I think it is important for everyone of us, those of us like myself who do not live in

Nova Scotia or Cape Breton, to realize what we as a country have allowed to happen in Cape Breton. It is not the fault of the people in Cape Breton. It is superfluous for me to say, as I am sure every member of this house who has visited that island will agree, that the people of Cape Breton are as industrious and as devoted to Canada and their community as any other people in this country. It is not their fault. It is the direct fault of a corporation, a non-human, indeed inhuman coporation that has exploited the coal and other resources of that province.

In the case of the steel plant at Sydney, at the turn of the century this corporation was given municipal tax incentives by the city. It was given other incentives. Through the years it has received almost $200 million in subventions, subsidies and other assistance and has cared not a fig for the future of the community. It has cared not one iota for the future of the people of Cape Breton island and the communities they have built. It has taken all the largesse throughout these years from the federal, provincial and municipal governments. After these moneys had been paid the corporation closed down mines and is now closing down, bit by bit, the Sydney steel plant.

My social philosophy is well known to members of this house. Perhaps one of the most typical examples of what I am saying is to be found in what Dr. MacKintosh once said. Dr. MacKintosh is a famous Canadian economist. I have his words before me. With respect to the capitalist or free enterprise system he said:

• (4:40 p.m.)

It draws a very bad mark indeed for its allocation of the penalties of the destructiveness of change.

This is exactly what has happened. The people of Cape Breton have paid the penalty. Dosco and the government have paid no attention to the long-range problem. I should like to cite from a speech by Reverend A. Hogan to the 18th dominion-provincial coal conference on September 16, 1966. He is a well known economist who teaches at St. Francis Xavier and he has been interested in Nova Scotian social and economic matters, particularly those relating to Cape Breton, for a good many years. In addition he is, if I may say so, a social economist instead of one of those economists who claim not to make any moral judgments. He makes them, and I respect him for it. This is what he says in the speech to which I have referred:

All of us know from common observation and history, as well as a general understanding of the nature of our economic system, that the decline and disappearance of an industry is not a new thing. We especially realize this in regard to the gradual depletion of the economic seams of a non-renewable resource such as coal or any other mineral.

Yet I venture to say that for many of us regardless of age, education or skill, the experience of being caught up in such a ferment of change with all its implications, is an abstract one.

I am trying not to make it abstract for myself and for those who are listening to me.

We've read about such occurrences, heard about them, but rarely if ever have concrete experience with what this type of upheaval means, in social and economic terms.

As have hon. members who represent ridings on Cape Breton island.

At a deeper psychological level we are scarcely aware of the emotional impact in terms of fear, suspicion, despair and even rage that a severe dislocation effects in relationships between individuals and groups at such a time.

This is the kind of problem with which governments, federal and provincial, have been faced for many years. The Reverend Mr. Hogan also says in the same speech, and it is worth putting a few of these quotations on the record, that one of the consequences of the neglect of Cape Breton as a community by the corporation, Dosco, which has been the main corporation in the community, as well as by the provincial and federal governments, has been a constant migration from Cape Breton. This has resulted not only in a loss of population but a loss of that adult population which is productive. He says, after setting out a table, that the figures above reveal there has been a substantial migration of the young and active element of the population. Many of those who are left have low or no mobility potential.

These are the problems, I insist, that we face. Father Hogan also points out that the loss of people in the most productive years of their lives has meant that the local communities have not been able to get the taxes necessary in order to produce the services that are needed, whether they be housing, education, road building or sewage facilities. These facilities have not been produced at a level which the people of Cape Breton deserve and which the local municipalities want to have.

Obviously, in a declining economy and with the loss of people in the age groups which are most productive, you necessarily have a lower

base for municipal revenue. You have, therefore, immense obstacles to the building of what economists call an infrastructure to a level which can receive modern industry. I refer to the various services that are required for this.

I should like, finally, to refer to page 13 of the speech, a copy of which I have before me, where Rev. Mr. Hogan repeats in strong terms what the minister said. I agree with Father Hogan, and I think with the minister, that there is every possibility for the re-development of the Cape Breton area. It is both possible and feasible, Father Hogan says, and he reaches that conclusion after a long and careful study of all the literature available to him. I may be putting this in a more exaggerated way than he would, in humility, have put it himself. However, he has obviously come to this conclusion on the basis of study.

Since there is a shorter time limit on speeches at the resolution stage I have to be sketchy. I may have to exceed it as others have done, but I do not want to do so to any great extent. I may say, very briefly, that the government opposite, which has been in power in Canada for most of this century, carries on its shoulders responsibility for the fact that an entire community has been permitted to become run down. It is ready to take action only at the moment when the situation is so desperate that even the doctrinaire people sitting opposite are forced to do something in the only way in which it could have been done, that is, by the direct intervention of the federal and provincial governments.

I hope I do not have to spend very much time indicating to the public and to members opposite that the steel industry in Cape Breton now presents a difficult problem, almost as difficult as the coal industry. The Rev. Mr. Hogan pointed out in his speech on page 2:

> Your concern here is primarily with coal and its acute problems. In my opinion there is just as real, if not as immediately pressing, a threat to that area's future survival from an impending serious situation confronting operations of the Sydney steel plant.

This is true. It has been increasingly true for ten years, Mr. Chairman. There is nothing in the resolution before us or in the bill based on it, because I have looked at the agreement which was tabled today, to suggest that this government or indeed the corporation which is to be set up will do anything about this plant at Sydney. The only thing that can be done for the Sydney plant, and probably the plant at Trenton as well, is that they be included under public ownership of the crown corporation being set up. The reason I say the only way I will come to in a moment, if I may. In the meantime, may I indicate some figures that have been provided to me by the unions at the Sydney plant?

[Mr. Lewis.]

The working force somewhere around the beginning of this year, including the hourly rated as well as the salaried people, was about 3,075 at the Sydney steel plant. This was a reduction from an average of about 5,000 to 6,000 not more than ten years ago. Since these figures were obtained, I went back to the reports in the newspapers to write down the lay-offs that have already been made or announced. We find that on June 4, 210 were laid off and on June 11, 112, even though the forecast was only 90. We have also been told that about 300—probably more—are to be laid off on June 18. If you add to that—this is an estimate made by certain people—the 100 office employees who will be laid off because the employees on the production force have been laid off, you have a reduction of about 25 per cent from the work force at the beginning of the year. There will be a reduction of about 730 or 740 people if the figure for June 18 is not more than the 300 which the company now forecasts.

• (4:50 p.m.)

It is also clear, Mr. Chairman, without taking the time to go into the details, that Dominion Steel and Coal Corporation has no intention of improving or diversifying its steel operations in Sydney but, on the contrary, has every intention of moving department after department of its Sydney operation to the Contrecoeur complex near Montreal. I challenge anybody here to contradict this statement in view of the actions of the company during the last little while. It is perfectly clear, and this is what we ought to guard against, that if Dominion Steel and Coal carries on its operation on the same basis as it has hitherto—and there is no reason in the world to suspect that it will do otherwise—that is to say, looking at its financial statements without regard to the welfare of the community which it is supposed to have served for many decades, from the point of view of the profitability of Dosco it is better for the company to transfer more and more of its operation to Contrecoeur which is closer to the Quebec market. By doing this they will probably forestall the building of a large steel complex by the Quebec government because they will have pre-empted the market.

What action does the government take in this regard, Mr. Chairman? Surely it is senseless and utterly irresponsible—and I suggest to the minister that his government is irresponsible in this situation—to talk about phasing out coal, because whether this is done at a slow or fast rate it will mean tremendous local dislocation and the creation of tremendous human problems. The government talks about building new industry—

The Chairman: Order. I regret to interrupt the hon. member but the time allotted to him has expired.

Some hon. Members: Carry on.

Mr. Lewis: Thank you, Mr. Chairman, and I thank the members of the committee. The government talks about building new industry but takes no steps now to ensure that an important industry, which according to many experts could be made economically viable and on which so much of the economy of Cape Breton rests, is not allowed to continue to go down the drain, as is the steel industry in Sydney as a result of deliberate action taken by Dosco.

I said before, Mr. Chairman, that if the minister should say or if anyone should suggest that the corporation it is proposed to establish will be free to assist Dosco to modernize its plant in Sydney and so on, then as far as I am concerned—and I think I speak also for all of my colleagues—I have no confidence whatever in the intentions of this giant corporation which has bled Cape Breton island for decades and has left nothing of value in return. I certainly have no confidence in them knowing that the decisions are not made by Dosco but are made by the large international corporation, Hawker Siddeley, of which Dosco is now a part.

Second, Mr. Chairman, I say to the minister that there is no evidence whatever that any help that Dosco gets to rebuild its plant in Sydney will be used for the purposes that he and I have in common. There is only one way. I would urge the minister, as the members of the C.C.F. party and the New Democratic party have urged governments over the past 30 years, to accept that the only way to save the steel industry in Nova Scotia and thus to save the second most important industry in the Cape Breton economy, is to bring the steel industry as well as the coal industry under public ownership through the crown corporation being set up.

This crown corporation would be able to formulate a plan and would have the opportunity to co-ordinate the two basic industries in Nova Scotia. Even if the coal industry were eventually phased out, I venture to prophesy, though this is dangerous to do particularly for a layman, albeit one who has made some study of the subject, that there will be a coal industry in Nova Scotia for many years to come. The industry will be modernized.

The Prime Minister said in his statement that coal production should be reduced to two million tons. However, even that means a relatively substantial industry for that community and it would take a good many years to achieve that reduction. I am not saying that I agree with the Prime Minister because I honestly do not know. I am prepared to leave the matter to the corporation, which because it is a public corporation will, I hope, act with the welfare of the community at heart rather than act in the heartless way in which Dosco, as could be expected, in fact acted.

I am not saying that I agree with the Prime Minister's estimate of two million tons or with the conclusions of Doctor Donald, though I have every respect for the competence of Doctor Donald and I am not contradicting him. But for the purpose of the present discussion I am saying that it will take many years before this reduction to two million tons per year will take place, and this in itself will retain a pretty substantial coal mining industry in that particular community.

Therefore, I suggest that the corporation ought to be given authority over both steel and coal. I am informed both by those who have studied the subject and from my own reading that it is perfectly possible to produce in Sydney various shapes and sizes of structural steel both for use in the Atlantic provinces and for export, particularly to developing nations. I am also told, and I understand from my reading on the subject, that all of this will require a great deal of modernization of plant as well as the introduction of new equipment. This is something Dosco would not undertake; if they wanted to do it they would have done it before. They did not have to do this at Contrecoeur. No one forced them to go to Contrecoeur. Therefore it is obvious they would not undertake this in Sydney; it can only be undertaken as a result of public ownership.

I want to spend a minute or two on one other subject and I will be through, Mr. Chairman. I am very concerned about the

negotiations which are going on with Dominion Coal and Steel Company and Nova Scotia Steel and Coal with regard to the compensation that those companies are to receive. I hope—I say this with some sense of responsibility—that those companies will not receive any compensation under the circumstances. I emphasize the words "under the circumstances" so that no one will take that sentence out of context and say on political platforms across the country that the hon. member for York South, or the deputy leader of the N.D.P., or David Lewis, however they put it, says that he is in favour of not compensating an industry when the government takes it over, because this would not be true. I am in favour of compensating companies when they deserve compensation, when what the company in question hands over is a going concern.

What is happening in this case, Mr. Chairman? The coal mines are not owned by Dosco or by the subsidiaries of Dosco. They are, of course, crown property and Dosco is supposed to pay royalties for the use of the land. But what assets does the company have? Since only the coal mines are being taken over, this means that this company will be saved the headache of carrying on an industry which has lost money for years. What compensation should a company receive for being relieved of a headache? That is what I should like to know. We would be much more justified in saying to Dosco that it was about time that they paid something out of the huge treasury of Hawker-Siddeley instead of putting their hands in the public treasury to pay their preferred shareholders, or whoever it is, when they are operating a losing proposition.

• (5:00 p.m.)

I hope the minister will tell us during the course of the resolution stage or on the committee stage of the bill who these preferred shareholders are, how long they have held their shares and how much they have received in dividends up to 1962, since when, we are informed by the officers of the company, no dividends have been paid. I am not saying this merely because I am being hard on a company but because one of the subjects raised by the hon. member for Cape Breton South is important. If the minister or the federal government have an extra $1 million or $2 million or $3 million to spare, then, instead of giving it to the company which does not deserve it, they ought to give it to the pensioners of the Dominion Steel and Coal Company.

[Mr. Lewis.]

As the hon. member for Cape Breton South said, if my memory serves me correctly, in 1952 or 1953 this company reduced the gratuity which it paid to its retired employees. The hon. member is really justified in what he says. I am not saying he is justified in his legal arguments with the Minister of National Revenue because those have to do with another subject, but he is justified in characterizing what the company paid not as a pension but as a gratuity. There was no pension plan; not only was it non-contributory but there was no fund. It was entirely unfunded. Whether somebody got the pension depended on the company's will and when the company decided 15 years ago to cut the pension it did so and no one had any recourse; no one could do anything about it. Whether or not there is any spare money, I think that the welfare of the pensioners of the Dominion Steel and Coal Company and of the other coal company ought to have priority. I know that my colleague, the hon. member for Vancouver-Kingsway, wrote to the Minister of Industry about this pension problem. That minister handed the letter over to the Minister of Energy, Mines and Resources, and I know that the hon. member for Cape Breton South and others have raised this matter many times.

I say, Mr. Chairman, that the bill ought to give three guarantees, which are as follows: First, that whatever pension is now being paid will be taken over by the new corporation, because as the payment was in the form of a gratuity rather than a pension the new corporation could make that payment disappear in law. I hope that the bill will show that that guarantee is included. Second, that the bill will contain a guarantee that those who are now retired will have their pension increased to a decent level, at least to the level of some years ago before the company reduced it. Third, that the promise of the Prime Minister that Doctor Donald's recommendation for a generous and just retirement plan will be adopted will also be written into the law as a guarantee, because God knows what might happen were the members of the board of directors of the new corporation or the bureaucracy left without some statutory guidance on these points and problems that might arise.

I wish it had been possible—with all my heart I say this—for me as the first spokesman for our party today to say to the minister, "You have taken a useful and important step and I have no criticism of it in general terms, whatever criticism we might have

when we see the details." I cannot say that. To do a real job for the Cape Breton community and to assure all the people of that community that a new dawn has really risen and that they can look forward to a future of progress, which might even attract those young people who have left the community back to it, the government in this resolution and in the legislation ought to have included steel as well as coal. Their failure to do that proves to me once again for the umpteenth time that from the government, with its social and economic concept and conscience, we can at best expect a half step taken under the duress of desperation but never a full step.

That is why I cannot extend the kind of heartfelt thanks that I should have liked to extend with respect to the resolution before us and the promised legislation. The step could be important. Whether it will be will depend on what the government does in the future with the steel industry and the coal industry and will depend particularly on the imaginativeness with which new industry is brought into the community and how community needs are geared to the reception of new industry.

Mr. Olson: Mr. Chairman, I wish to speak briefly at this stage of the debate on the matter before the committee. I do so not because I have knowledge of the economic and social conditions of Cape Breton but because several millions of dollars of federal government money are involved in giving effect to the proposal now before the committee. At the outset I wish to say that we in this party do not disagree with the federal government giving emergency assistance to any area of Canada to help with economic and social problems. In his statement the Prime Minister said that the federal government realizes that the Cape Breton coal problem essentially is a social problem. On that basis our party in large measure agrees to support this action to revitalize the economy and to deal with the social problems of the area concerned.

The economic climate in Cape Breton has declined, and I wish to ask one or two questions of the minister. On the second page of the Prime Minister's statement we find the Prime Minister saying that it is anticipated that the operating losses in the first year alone will be in the order of $25 million. My first question is: How long will the federal government be called upon to make up these losses on the coal operations? The government will also assist with the social problems of the area. In another place the Prime Minister says in his statement that the government of Canada will make a capital contribution of $45 million, $25 million for the rehabilitation of the operation of the mines and $20 million for the establishment and development of new industry.

The $25 million that is apparently earmarked for the rehabilitation and operation of the mines, according to the resolution and the bill to follow, is to be for only one year. Will we be asked to contribute $25 million for 1968, 1969 and 1970? What plan is there for diminishing this amount? The minister did say that the federal government was concerned with the planning which would take care of this problem. If the government has planned well we ought to know before the resolution passes what the losses on the coal operation will be in subsequent years.

I listened fairly carefully to the minister's opening remarks and I did not hear him suggest that there would be an aggregate amount of $250 million or $300 million. Perhaps the minister wishes to say something now.

Mr. Pepin: The $25 million is for the development or rehabilitation or modernization of the mines. The $20 million is for economic development. Then, as I have already said, the corporation will take over the subvention—I do not know what other word I could use. It is expected that in the first year the loss will be of the magnitude of $25 million but as we progress in the phasing out of mines it is expected that savings will occur. I cannot now say what the savings will be in the first, second, third, fourth or fifth years. That will depend on the number of mines which will be closed.

• (5:10 p.m.)

Mr. Olson: What this committee and the House of Commons are being asked to approve is $25 million for the rehabilitation of the operation of the mines, to be provided in the first instance as a capital investment by a crown corporation. Then there is an additional $20 million, to begin with, as a capital contribution toward the development of new industry. Over and above this there is an additional $25 million, at least in the first year, to cover losses in the mining operation. In other words, this is a call for something like $70 million, to start with, not $45 million, and there will probably be a call in the next fiscal year for another $25 million or perhaps a little less, and the same in subsequent years, if I understood the minister correctly.

Mr. Pepin: Yes.

Cape Breton Development Corporation

Mr. MacInnis (Cape Breton South): The minister is nodding his head in agreement. But does he not place this interpretation on it, that the loss which would be faced by the crown corporation would correspond to the moneys which are now paid by way of subvention? It is not really a case of a double loss, as the hon. member seems to understand it and as the minister appears to be approving. It is really a matter of the government taking money out of one pocket and putting it into another.

Mr. Pepin: I am sure the hon. member for Medicine Hat understood that.

Mr. Olson: I understand that the $25 million does not represent an entirely new expenditure. It is a substitute for an expenditure which has been made up to the present time. But we have not been told whether the precise amount now paid by way of subvention is to be paid. Is the cost to the federal government in subventions $25 million at the present time or does the $25 million represent a substantial increase in the cost to the federal treasury?

Mr. Pepin: I said in my speech that this year the amount will be $31 million and that it was expected to be $27 million next year. May I be more precise? We already have two sums, $25 million for the mines and $20 million for economic development. The third sum is not dealt with in the bill. It will be voted as usual by estimates.

Mr. Olson: That clarifies one or two of the points I wished to raise. My next question is this. Reference was made in the minister's statement to another $10 million. We were told that the government of Nova Scotia would contribute $10 million to the economic development fund of the corporation. Is there any arrangement between the federal government and the province under which the federal government would assume all or part of this provincial obligation? I ask this question because there have been a number of examples of cases in which provinces have been party to an agreement under which they undertook to make contributions to certain programs whereas in fact, as became known later, arrangements were made for a large portion of those contributions to come from the federal treasury.

Mr. Pepin: In this case it is as simple as it looks. The Nova Scotia government will give $10 millon to the corporation for the economic development of the island. I understand that some of this money has already been voted in the provincial legislature.

Mr. Olson: That is fine. There is one other point I wish to make with respect to the $45 million. It seems to me, after a cursory examination of the situation and having listened to the minister and to the hon. member for Cape Breton South, that perhaps more money be spent on the development of new industry and less on the modernization of an industry which some people believe is declining rapidly. It seems to me a wrong balance may have been struck. Perhaps the minister could give us an explanation later of the reason these figures were chosen.

Finally, I wish briefly to bring up the subject of the compensation to be paid to the company which now owns the operations to be taken over by the crown corporation. We in this party do not believe that the federal treasury has any inherent responsibility even in this situation to compensate shareholders for the loss of an asset which apparently has no market value. I believe it may be a bad precedent for the government to agree to pay any arbitrary amount as compensation for so-called assets which are really no assets at all. These undertakings have exhausted their value as viable economic units. I say it would be a bad precedent to pay compensation because it would establish that in one case at least the government had taken over a dying industry, on the grounds that a social problem was involved, to the benefit of shareholders who were not part of that social problem. We can look across Canada at prosperous areas as well as depressed areas and find examples of businesses which have failed causing hardship to their employees and to the surrounding communities, and we are apprehensive about giving our approval to any substantial payment being made for an alleged asset which really has no value.

It has been pointed out by several hon. members that the marketable value of the Dosco assets is nil except, perhaps, for some salvage. We do not believe it is the proper function of the federal government to bail out the people involved in a corporation, at the end of an industry's life, when those people are not part of the social problem with which we are trying to deal. What matters here is the welfare of the people of the communities on Cape Breton island, not the situation of those either in Canada or abroad who may happen to own shares in the corporation. So I hope the government does not intend to raid the federal treasury to pay people who, as I

say, are not part of the social problem we are trying to solve.

We in this party are in favour of assisting our fellow citizens when they face a serious social or economic problem but we would be opposed to any action which would compensate people who do not require social assistance.

• (5:20 p.m.)

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, I will not be too long because we are anxious to see the resolution pass and have the bill come before the house.

Some hon. Members: Hear, hear.

Mr. Muir (Cape Breton North and Victoria): I appreciate the applause from the Liberal benches. I say I will not be too long because we have waited a year or more for this legislation to be introduced. However, a few more hours will not matter too much.

I appreciate the remarks of the previous speaker, the hon. member for Medicine Hat, who expressed support for the resolution and for the new corporation to be established. I fully agree with his comments regarding the payment of compensation to people who came to Canada about ten years ago and took what they could out of this industry.

I also wish to commend the minister for his introductory statement on the resolution. He gave us some of the history and background of the coal industry. I am sure he must have been surprised to receive such condemnation from the hon. member for York South because it was only a few short weeks ago that one of the principal speakers for the New Democratic party was in Nova Scotia and on that occasion the minister's name was not mentioned at all. In fact, someone demanded to know why a fellow by the name of Stanfield had not set up the Cape Breton Development Corporation. I am sure the hon. member for York South realizes that this is a joint arrangement between the federal and provincial governments. But on the occasion to which I refer, someone seemed misinformed regardless of the fact that he had sat in the house day after day and heard questions posed to the government front benches regarding the Cape Breton Development Corporation. The initiative for introducing this measure had to come, of course, from the minister and the government.

I would express one more word to the minister with respect to the delay in introducing this legislation. I agree with him that it is not an easy matter. I know that the minister has spent many nights working on it, and some time ago he said to me that he was willing to learn all he could about the problem. I see the hon. member for Antigonish-Guysborough saying something in the minister's ear. He is probably telling him, "Now you can expect the brickbats." I can tell the minister they will not be directed at him. They will be directed at the government both for the delay and for several things mentioned in this resolution.

On October 5, 1965, the cabinet representative from Nova Scotia announced all the great things that were going to be done with the $25 million he promised. Among these was the opening of a new mine at Lingan. I do not see anything about that in this resolution. Possibly it may be mentioned in the bill which will follow or we will be told that the new corporation will go ahead with it. That statement was made by the cabinet representative from Inverness-Richmond, with a great fanfare and eruption at Halifax. It just happened that it was only a few weeks before a federal election and maybe that had something to do with his making the statement. I do not know.

Mr. Côté (Longueuil): It did not help very much.

Mr. Muir (Cape Breton North and Victoria): No, it did not. I appreciate that remark from the Postmaster General. He is realistic.

Then, on October 11, 1966 the Donald report was tabled. Despite the fact that day after day we in this party and members in other parties had been asking about the Donald report, no one on the treasury benches knew anything about it. We got the impression it was not ready, that this guy Donald was lazy and was not getting it out. As I say, it was tabled on October 11, but it is interesting that the date of the report is May, 1966.

I must presume that during all the time statements were being made by the Prime Minister and by the Minister of Energy, Mines and Resources we were being given evasive replies in answer to our questions. Many times we would have liked to pose questions to the minister from Nova Scotia who now avoids his responsibilities, unlike other representatives from Nova Scotia who were ministers in previous governments, including the present Minister of Trade and Commerce. But we cannot pose questions to the present Nova Scotian minister on any subject but health. Well, we hope he remains healthy.

Cape Breton Development Corporation

As I say, Mr. Chairman, the report was tabled on October 11 but the date on it was May. There may be an explanation for that. I am sure the Minister of Energy, Mines and Resources, in his usual genial manner, will have some explanation for it. However, a few hours after it was tabled I was asked to issue a statement on it to the press and radio. Unlike the hon. member for Antigonish-Guysborough I dislike quoting myself but I must read part of my statement into the record because it is pertinent to this debate. As I say, I made this statement a few hours after the report was tabled and I had only time just to skim through it. This is what I said:

> Since I have not had an opportunity to thoroughly digest all of the long-awaited Donald report, I feel that while it certainly paints a black future for Cape Breton in many ways, it also has some good points.
>
> The recommendation for the Cape Breton Development Corporation looks excellent on paper; how it will work out in actual practice is another matter. If this corporation were established, it would have to bring new employment to our island post haste and provide displaced miners with new jobs with a pay equivalent to what they are already earning or more, and not subject them to a long period of unemployment.
>
> We are all aware of the efforts made by Industrial Estates Limited over the years to bring industry into our area, and while they have made excellent progress we have seen that it requires a tremendous expenditure to provide even a few jobs. Further to that, we have been faced with the loss of 650-700 jobs at the Point Edward naval base through the actions of the present government, and within the next year or so we are going to see another 600 to 700 men displaced at the North Sydney ferry terminal, again through the present government's action. So, I would think that this, along with the recommendations of Dr. Donald, would mean that such a corporation would have to act and act very quickly.
>
> The member for Inverness-Richmond on October 5th, 1965, made a definite commitment on behalf of the government that a new mine would be opened in the Lingan area, plus several million dollars of new capital for rehabilitation and modernization of existing mines. Strangely enough, Mr. MacEachen's policy announcement came only several weeks prior to the last federal election. He, along with the Prime Minister and Minister of Transport, have reiterated this commitment on a number of occasions since. Surely they are not going to back down on such a commitment at this time. If they do, we can only assume that this is a continuation of phony promises to secure votes before an election.
>
> After all this time, we are now confronted with information in the house from Mr. Pepin, minister of mines, that there are now going to be further discussions take place and representations made to the government in the coming weeks before any action is to be taken or any policy announced on the Cape Breton coal situation. So, was Mr. MacEachen announcing government policy when he made his original statement on October 5th, 1965, a few weeks before a federal election, and which he reiterated just recently when he stated at his annual Liberal meeting in Inverness that "any new policy announced by the federal government would be fully consistent" with his announcement last fall?

[Mr. Muir (Cape Breton North and Victoria).]

• (5:30 p.m.)

So, Mr. Chairman, I presume we are going to have a new mine at Lingan because the Minister of National Health and Welfare stated that new coal policy would be consistent with his announcement. I continue the quotation:

> If the Donald report is going to be implemented by this government in full or in part, I feel that the people of Cape Breton and Nova Scotia must demand that there will not be the phasing out of even one job at the coal mines unless the present federal administration makes available an alternative source of employment in the immediate area. And, that Walter Gordon's now famous "one-way ticket out", now known as the manpower mobility program, not be put into effect.

I have put that on the record for one reason, to show that my feelings have not changed. We must have employment before any mine or portion of a mine is closed, as the hon. member for Cape Breton South has said. It would be rather difficult to shut down a portion of a coal mine. I am sure that all of us are looking forward to the development corporation which will go ahead and bring in industry to provide employment in substantial numbers so that 200, 300 or whatever number is necessary can be moved into other employment immediately.

The minister has said that on some occasions we have accused him of moving too slowly and on other occasions of moving too quickly. I say that on this occasion he has moved too slowly. I would be expected to say that, because it is a fact. The question of subsidy or subvention is a matter of words. However, I have always understood that a subvention is something which is paid to carriers such as the Canadian National Railways or the shipping lines. I was surprised to hear the minister say that it went to the corporation. It may be channelled through the corporation to the carriers. Certainly it is not received by the coal miners. It is paid to the transportation companies and in turn benefits the constituents of the hon. lady for Westmorland. Canadian National Railways, in the eastern Atlantic provinces area, assists many people, not only coal miners, because when a subvention is paid in respect of the transportation of coal they in turn use it to employ people who operate the railways and so on. That is why I say it assists the constituents of the dear lady from Westmorland. I mention

her because she represents an area in which there is a very large number of railway employees.

The hon. member for Cape Breton South said something in his remarks about the Minister of Energy, Mines and Resources stating that the minister from Nova Scotia would refer to a heavy water plant, and so on. I am pleased that the minister is so happy about this plant but, by gosh, there is a fellow by the name of Regan, the leader of the Liberal party in Nova Scotia, who does not think it would be any good at all. We thought it was pretty good, and I am sure that the government of the province of Nova Scotia and the federal government thought it was very good. However, the leader of the Liberal party in the province of Nova Scotia does not agree. One of his cohorts, Dr. Kirby, the second rate professor whom they sent to Cape Breton, stated that it was a terrible thing, a waste of money and shocking. He did not make that speech anywhere else after that.

I should like to say a further word about the Cape Breton Development Corporation. I suggest to the minister and the government that the board should be composed of the most competent persons available. I am sure both the provincial and federal governments have been looking everywhere for the most capable and able men that can be found to take over the duties of this corporation. It is my hope, and my suggestion to the minister, that it will not be a haven for defeated Liberal candidates, party hacks, or what have you, because this is something which does happen in government, whether Liberal of Conservative. Indeed it happened under the N.D.P. in Saskatchewan or wherever it might be. In this case I would certainly hope we would get the most competent persons regardless of their politics or where they come from, because we will need the best people we can get. I notice that the Postmaster General is interjecting. I cannot hear what he is saying but possibly he would like a position on that board. I would hope not, because so far as I am concerned he is doing a very good job as Postmaster General.

To reinforce the argument I am making I should like to refer to a newspaper item which appeared in the Cape Breton *Post* of Friday, April 28:

> The Cape Breton Development Corporation must lead Cape Breton forward in the future and not serve as an avenue to pay off political debts, Harvey Webber, president of the Sydney Board of Trade, warned Thursday.

This is an indication of how some people in the island feel in this regard. I hope we will obtain the best men possible. We would also hope that the minister would obtain the best people possible for the co-ordinating committee.

If I may refer again to the question of what is to be paid for the Dosco holdings, may I say that I fully concur with what was said by the hon. member for Cape Breton South when he suggested expropriation. I think this is a wonderful idea. Let some independent board decide how much a lot of the junk they have is worth. I believe the minister would agree with me when I say that Dosco shares have gone up since the word went out that the federal government might take over. Well, they certainly received their pound of flesh over the years they have been there. This old boy, Sir Roy Dobson, sits in his ivory tower in Britain pulling the strings and operating the puppets. He is not too worried about the guy who gets smashed up in his coal mines as long as he brings in a few dollars. But now that they are not making any money for him he decides to throw the operation in the ashcan and not worry about it.

I do not think the government should be too worried about what they pay these people. They already owe the government over $5 million for loans granted some years ago. When these big shots came to Cape Breton they put on dinners for the Board of Trade, the Rotary Club and other groups. They were going to make Cape Breton the Pittsburgh of Canada in respect of steel. Well, it is not the Pittsburgh of Canada, far from it. They were going to do great things for coal too but we have not seen them either.

The hon. member for York South mentioned the assistance to the industry and at the same time said that this is a characteristic of the history of the country. Down through the years there has been assistance to different industries. By the same token we have subsidies in the reverse form. We have a tariff policy in this country. If we wanted we could get cheaper cars. We could go across to the state of Maine and pick up our cars there rather than keep the workers going in Oshawa or anywhere else in Canada. The same thing is true of goods such as refrigerators, washing machines, television sets, and so on. They are all protected by tariffs. I do not see why anyone should object to what is happening today; it is usual. I think the government is taking a proper step.

Let me also say a word about the coal miners who are now on pension. The hon. member for Cape Breton South and I have been working on this problem for many months. We introduced the matter in the house and have discussed it with the minister. I wrote a letter to the Minister of National Health and Welfare in respect of the problem.

• (5:40 p.m.)

I received a very nice, fine, two-page reply, but it did not say whether these miners were going to be classified for the guaranteed income supplement. All it said was that if the Minister of National Revenue ruled one way such and such would be the situation but if he ruled the other way something else would be the situation. That minister has never committed himself. We have brought this situation to the attention of the minister of mines. He wrote me a short letter, a copy of which I sent to the pensioners' union. At that time the minister suggested that this matter should be taken up with the Cape Breton Development Association. I do not think we should wait that long. I think the minister with the advice of the Minister of National Health and Welfare should decide to amend the bill in order to cover this situation. These pensioners have given their lives to the coal mining industry and they have received very little in return.

I was very pleased to hear the hon. member for York South speak so highly of the people of Cape Breton, their hospitality, industry and so on. It is very nice to hear that, particularly from someone who is not from Cape Breton. Some of us who as children saw mounted soldiers breaking up strikes, who have served on the picket line, who have worked in mines and have been carried out of them, know something about this whole situation. It is not the prerogative of members of the N.D.P. only to have a feeling of sympathy for the workers and the ordinary man, as he is often called. The majority of people in the Liberal party, the Conservative party and other parties are not so-called big capitalists or millionaires. They work for a living. Many of these people who suggest they are all for the working man just wrap themselves up in the white robes of purity and sanctity and pretend to worry about the working man.

The Chairman: Order, please. I must advise the hon. member that his allotted time has now expired.

An hon. Member: Carry on in the same vein.

[Mr. Muir (Cape Breton North and Victoria).]

The Chairman: Does the hon. member wish to continue?

Mr. Muir (Cape Breton North and Victoria): Yes, Mr. Chairman, and I thank hon. members for their kind indulgence in allowing me to continue. The point I am trying to make is that there are many, many people in this country with various political affiliations who worry about the so-called working man. This worry is not confined to socialists. Many of us have been involved in this type of thing, and I venture to suggest that a number of members of the N.D.P. have never been involved. The ability or desire to worry about the farmer, the miner, the steel worker, the fisherman or about any person who works with his hands is not a domain of the N.D.P. We are all interested in these people.

Progress has been slow during the years in some respects, both under the Liberals and the Conservatives. Much as I love to condemn the Liberals, they have made some progress. If a socialistic government is so great, and this has been said very often in this house, why did we not witness a great rush on the part of people from other regions of Canada to the province of Saskatchewan? They did not rush out there to get on the Douglas bandwagon or obtain the fruits of socialistic government.

Mr. Douglas: We did not let the coal industry collapse, anyway.

Mr. Muir (Cape Breton North and Victoria): You let a lot of other things collapse including the morale of the people.

Mr. Douglas: You have never been there. You don't know anything about it.

Mr. Muir (Cape Breton North and Victoria): I am afraid the New Democratic party is living in a dream world as it has for many years. Its members keep making crazy, weird promises that they know they will never be in a position to fulfil, and the hon. member knows that full well.

The hon. members for Cape Breton South and York South spoke very wisely and eloquently about the steel industry in relation to this resolution. On many occasions we have asked questions in the house about including the steel industry for consideration by the new development corporation. The Prime Minister in his statement, whether unintentionally or not, gave the impression that this would be the case. I am not the only one who has had this feeling. Obviously the editorial

writers of the Halifax *Chronicle-Herald* understood the Prime Minister's remarks in the same way.

The Halifax *Chronicle-Herald* on Monday, June 12 carried the following editorial which I should like to read. It is headed "Major Development" and it states:

> Undoubtedly, the major news item of this week, as far as Nova Scotia is concerned, will be the introduction by the federal government in parliament of a bill to establish the long-awaited Cape Breton Development Corporation. Thursday has been suggested as the day on which this action will be taken.
>
> Whatever the timing, the legislation will be unveiled against a background of mounting concern about the Cape Breton steel industry, in which a number of disturbing layoffs have occurred in recent days, notwithstanding the acquisition of yet another order to produce rails for the Mexican national railways. The matter was discussed, somewhat heatedly, in the House of Commons late last week, and it was possible to infer from Prime Minister Pearson's remarks that the development corporation might have something to contribute to a solution of the steel industry's difficulties.
>
> Certainly, Nova Scotia's voluntary planning board has suggested that the corporation should be concerned about the uncertain health of this Dosco operation. Presumably, the thought is that the agency might be able to help the promotion of a process of product diversification in an industry which confines itself largely to the production of basic steel.
>
> Hopefully, some encouragement on this score can be drawn from the legislation when it is introduced.

So you can see that quite a number of us had the idea from the Prime Minister's statements and the statements of others that the steel industry would be improved.

Yesterday a delegation from Cape Breton communities was in Ottawa. These people came to present their case in respect of the steel industry. They received a very cordial welcome from the Prime Minister and other members of the cabinet including the Minister of National Health and Welfare, the Minister of Fisheries, the Minister of National Revenue and that great leftist of them all, Barry Goldwater—the Minister of Industry. He was not very encouraging in his comments.

• (5:50 p.m.)

It has been pointed out very clearly to the Prime Minister and other members of the cabinet how very great are the problems that confront the steelworkers in Sydney. For many weeks now the hon. member for Cape Breton South, the hon. member for York South, the hon. member for Burnaby-Coquitlam and myself have been trying to obtain some information regarding the steel industry. The situation goes back six or eight months so the government cannot cry and say: Well, at this last minute, what can we do? We have not had time to do anything.

The government has certainly had time to investigate—I have called for an investigation on several occasions—the future intentions of Dosco with regard to steel. This investigation has not been forthcoming. There is a small investigation going on now with regard to the dumping of steel, and so on. The union cannot get any reply from Dosco officials. Community leaders cannot get any information. They get a reply but it is like some of the answers we get from the government benches, a few words but no information. The premier of Nova Scotia cannot get information. Therefore we look to the federal government to get information for us. Because of the closeness of the Minister of Industry and the president of Dosco, surely we can find out something more about the future intentions of this corporation.

As the hon. member for York South asked: Is Dosco also going to allow steel to crumble? As I asked in the house a couple of weeks ago: Are we going to end up without any steel industry at all? I know it is not an easy situation for the government, but we should have action of some sort by the government to find out what is happening in this respect. The cabinet member from Nova Scotia was present at the meeting yesterday and heard the problems and information outlined by the international representative of the union, the mayor of Sydney and representatives of other areas that are concerned. There is no lack of information; it has all been provided to the government by these people. Now we ask: What is the government going to do?

Now we are faced with another lay-off this week end, the 18th, of between 300 and 400 men at the Sydney steel plant. Is the government going to do anything to attempt to solve the problem? I know it is difficult for the government to move before the end of the week, but is there any intention by the government to do anything? Is the Prime Minister going to make a statement, is the minister from Nova Scotia going to make a statement, with regard to the future of steel? Is anyone on the government benches going to tell us about this corporation or is it to be allowed to do anything it likes?

I believe that steel should come under the auspices of the Cape Breton Development Corporation. This is my view. The Minister of Energy, Mines and Resources raises his eyebrows, but I sincerely believe this is what should happen, although it is not my usual

policy. Here we have a situation where people are going to be hungry, and I am not exaggerating. It is an extremely serious situation. Within the last eight months almost 1,200 people in the city of Sydney and environs have been thrown on the streets. Some of these men have 25 years' service. There is nothing for them in the future, so far as anyone knows.

Someone must take action to solve this problem. I suggest that it be the Cape Breton Development Corporation. Someone must do something. I am now dealing with the social aspects of the situation. Almost all the speakers from the government side of the house, the minister and the minister from Nova Scotia who knows the situation so well, as well as Dr. Donald and Mr. Justice Rand, know the social problems connected with this question and the seriousness of what may occur if so many people are thrown on the streets. I urge the government to give very serious consideration to the points I have raised. I should like to quote from the statement made by the Prime Minister on December 29 last when dealing with the question of the Lingan mine. He said:

> The federal government gave in October, 1965—

That is when the minister from Nova Scotia made the statement that there would be a new mine at Lingan.

> —an undertaking to provide financial assistance for the rehabilitation of existing mines in Cape Breton and in the opening of a new mine at Lingan.

When the Minister of Energy, Mines and Resources was dealing with this matter he made it sound as though the Cape Breton Development Corporation would now decide whether there would be a new mine. However, as I stated earlier in my remarks, the cabinet representative from Nova Scotia said there was to be a new mine. All the advertising by Liberal candidates in the election campaign of 1965 said it was a *fait accompli*. They said: We have a new mine at Lingan. We have told you this, and our minister has said so. Therefore we are looking forward to a new mine. The minister nods his head. I am so pleased at that indication that there will be a new mine at Lingan. I thank the minister very much for that indication, because we have been quite worried about this matter for some time. There is now no need to deal further with the question because we will have a new mine at Lingan.

Mr. Chairman, it is close to six o'clock. I have not had very much opportunity to deal

[Mr. Muir (Cape Breton North and Victoria).]

with a few smaller details. I hope later to say a little more about steel. Our dealings with the minister have been very good. He has been most co-operative. I hope he continues in that manner in the future. I am sure he will with regard to the Cape Breton Development Corporation and anything he can do for Cape Breton. I hope to have an opportunity later to say a few words. I see it is six o'clock.

Mr. Otto: Mr. Chairman, may I call it six o'clock?

The Chairman: Order. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Kootenay West (Mr. Herridge), National Disasters—suggested establishment of Canadian fund; the hon. member for Hamilton South (Mr. Howe), Health and Welfare—request for investigation into addition of antibiotics to livestock feed; the hon. member for Laurier (Mr. Leblanc), Northern Affairs—inquiry as to continued development at Frobisher Bay.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Otto: Mr. Chairman, let me say at the outset that I support this resolution wholeheartedly. I look forward to the bill and to the results of that bill possibly with more anticipation than the minister seems to possess. What I have to say is not on the resolution or the contents of the proposed bill, but about the mood that prevails in this house. It seems to me, having listened to the debate here that there is something lacking. Optimism is lacking. I have attended wakes at which a greater air of optimism was noticeable than during the introduction of this measure.

Consider what was said. The minister pointed out that in reality what this resolution anticipated was a development corporation which, over a period of time, will cost us about $155 million. The hon. gentlemen from Cape Breton North and South pointed out the social benefits that would flow from this measure. There was some argument over whether or not a subsidy was involved. However, no one has yet said what will be the results of this legislation. What do we expect

the benefits of this corporation will be? Now, surely if that attitude prevails at a time when young people, the active people of this country are going forward with great strides and undertaking great ventures, we will not attract them.

Here, we have a development corporation. The minister, who has a keen sense of the meaning of words, should tell me what we mean by a "corporation". Do we mean a group of individuals incorporating themselves into a body for the purpose of undertaking something, something that would bring beneficial results to Canada? Here we seem to have a development corporation—of course, I do not believe it is going to turn out this way—which is going to die, judging by the attitude that prevails here.

Comments were made from the other side that we should make sure we do not use worn out politicians on this board. Well, do you expect you are going to get an active group of people together to run this corpration, if it appears to have no future? This is my argument, and I am not referring to the resolution or the bill, which seem to be good. I should like to see some measure of confidence exhibited, some anticipation of beneficial results, rather than just the impression that the corporation will spend money without any idea about how we are going to make this corporation worth while.

I want to say a few words about the minister's remarks, as well as the remarks of other hon. gentlemen, about how this corporation is going to entice industry into Cape Breton. I think we should be rather pragmatic about this. Industry will not go to an area unless it foresees a future for itself. Surely, as a short term prospect, it will go to an area if it is given tax concessions. Essentially, however, industrial expansion requires that some advantage be given to industry. You must give industry something more than it gets elsewhere. You may give cheap electrical power, and you will entice industry. If you give raw materials not found elsewhere, you will entice industry. A fluid labour market, specialized skills, transportation facilities to markets—these things will entice industry.

What are you going to give industry in Cape Breton? Are you going to give cheap power? Are you going to give proximity to markets or a fluid labour supply? What will you give? The minister has not explained in what way industry will be convinced to go into Cape Breton on a long term basis. I suggest that we have the answer, but it takes some daring and it takes some confidence. Let me point out to the minister the present situation in connection with the heavy steel industry. The ore goes from Labrador and by boat through the great lakes to Chicago. Coal is brought in from Pittsburgh and the southern United States. Steel is made and then the finished product is brought back down the St. Lawrence to the New York market, the Montreal market and the world market.

• (8:10 p.m.)

Let us consider that ore, a very heavy commodity, is brought all that distance, six times the distance between Sept Iles and Cape Breton. In spite of this, somehow they are managing to prosper. I suggest to the minister that with a little technical skill and ingenuity great things could be done. There is no reason in the world why iron ore could not be brought down this short distance to Cape Breton, which is much closer to the buyers' market in New York, Montreal, indeed the whole world, instead of sending it all the way to Chicago and back again. I understand there is some problem with the sulphur content in the coal, but neither the minister nor the department could convince me that in this technological age a solution to this problem could not be found, and quickly. It needs incentive and leadership. Most of all, it needs a dedication that a solution can be found.

We should be able to make this area the steel centre of Canada, and then I dare say that the interests in Chicago and around Pittsburgh would follow this development. This is the logical place for a steel industry. The raw material is close at hand, and all we need transport to the market is the finished product, not the heavy raw material. Anyone who has been in business will understand the advantage that the maritimes have. They have coal there, iron ore close by, they have the people and the technicians. There are fantastic possibilities. This is the sort of mood I should like to see prevailing in the approach taken in any legislation.

The minister said that the production of electricity at the pithead was not a good idea, and that may be so. It may not be a good idea to bring coal out of the mines for use in producing electrical power on Cape Breton Island, which would be sent out through the grid; but there are methods today which achieve the same objective without the coal even being brought out of the mine. The coal is burned in the mine, and the heat generated is used to produce power. I believe this is being done in England today. What we need

is confidence; we need to know that this can be done

It is not enough to say that eventually we will have to disband the coal industry, that we are not going to make use of any advantages that we have, that what we will do is to facilitate the phasing out of the industry. This is no trick. Anyone can phase out industry; the trick is to create something. Surely this is possible in our centennial year, a time when we take such great pride in our country and listen to the laurels and tributes paid our forefathers who came to this land and with their bare hands wrested the prize, which they left to us. Our forefathers did not intend us to sit idly by; they wanted us to emulate their actions, to have confidence, to know that there is a fantastic future for us, instead of taking the position that Canada is a sixth or seventh rate nation.

I fail to understand the attitude of some of the members here, Mr. Chairman. We accept it, yet we know full well that if we were to deny wheat to the world market we could bring half of the people in the world to their knees in hunger. We supply the United States with most of their iron ore. We have the sole source of uranium and we have large supplies of fresh water. We have natural advantages, no matter which way we turn. What we have not got—and this is why I decry the attitude here—is a sense of destiny and accomplishment.

I repeat, Mr. Chairman, that I am wholeheartedly in support of this resolution, but I should like to see some confidence among us here, and also some indication of what this corporation is going to do. In this way I think the government would have shown that we are going to lead, rather than follow.

Mr. MacEwan: Mr. Chairman, may I say first of all that I enjoyed the interesting discourse of the hon. member for York East, which is a Toronto riding. We in the maritimes and Atlantic provinces appreciate the interest taken in us by other members.

Mr. Muir (Cape Breton North and Victoria): We might get him to run for Inverness-Richmond.

Mr. MacEwan: I do not know about that. However, I did note in the press not long ago that an alderman in the city of Toronto—I do not know whether he was resident in the hon. member's constituency—made a statement about sending some of the maritimers home because they were taking up all the housing in the Toronto area, so I would suggest to the hon. member that he might speak to some of his fellow Torontonians and ask them to accept maritimers.

An hon. Member: Do a little missionary work.

Mr. MacEwan: Yes, a little missionary work.

First of all, Mr. Chairman, as is usually said in this place on these occasions, I agree with the resolution but it does not go far enough. I also agree with the remarks of the two able members from Cape Breton, the hon. member for Cape Breton South and the hon. member for Cape Breton North and Victoria, who I might say came into the house the same time as I, and who have done an excellent job of representing their constituencies. We know that day by day they are here hammering away at matters of importance to the people of Cape Breton; and as has been shown by the number of times they have been re-elected, the people of Cape Breton appreciate their efforts.

I have something in common with them in that the area I represent depended at one time, although to a lesser extent today, almost totally on coal mining. This is why I said at the beginning of my remarks that I am not in full agreement with the resolution put forward by the minister.

On December 19 of last year, Mr. Chairman, I asked the Prime Minister a question in the house at the time the proposed setting up of this Cape Breton Development Corporation was being considered. As reported at page 11300 of the debates for December 19 last year I asked this supplementary question of the right hon. gentleman:

> I have a supplementary question for the Prime Minister, Mr. Speaker, arising from the reply he made to the leader of the official opposition. If it has not already been done, will the Prime Minister, in respect of any agreement with the province of Nova Scotia—

That is with regard to the Cape Breton Development Corporation.

> —take into consideration the Dosco-owned mine in the constituency of Pictou, which will also require aid?

I was referring there to the McBean mine in Thorburn, which is in my constituency. The Prime Minister answered:

> All relevant matters have been considered in relation to this very important question.

That raised my hopes, Mr. Chairman. That was on December 10. On December 29 I received through the mail at the kind instance of the Prime Minister's office a copy of his

statement of that date, December 29, 1966, which has been referred to by other speakers today. On the first and second pages the following statement appeared:

Assured of the participation of the government of Nova Scotia, the government of Canada is prepared to ask parliament to establish a suitable crown corporation—the composition and powers of which will be defined by the two governments at an early date—

These next words are the important part.

—to acquire, reorganize and manage the coal mining interests of the Dominion Steel and Coal Corporation and simultaneously to help promote and finance the development of modern industry on the island of Cape Breton—

—and so on.

The part I want to underline is:

—to acquire, reorganize and manage the coal mining interests of the Dominion Steel and Coal Corporation—

• (8:20 p.m.)

In his opening statement today the minister disclosed the interesting and detailed background of the corporate set-up of the Nova Scotia Steel and Coal Company, as well as Dosco and the Dominion Coal Company Limited, but I am not going to go into that. My suggestion is that this resolution should also deal with the McBean mine which employs more than 400 people. As the minister said in his opening statement, it employs 376 miners, plus office staff, plus those on the surface running the engines, plus those in the wash plant in the town of Stellarton. This is quite a sizeable industry, employing 400 people.

I read quite a bit of the Donald report, after it came out. It is a well prepared document, but I did not agree with some parts of it. I issued a statement at that time, in response to a request by a newspaper, in which I said in part:

One recommendation of the report—

That is the Donald report:

—calls for the early closing of the McBean mine at Thorburn. Such a move would cause unemployment for over 400 coal miners and would cause great hardship to these hard working citizens, unless alternative employment is provided. The Nova Scotia Power Commission will be constructing a new thermal power plant at Trenton—

I shall refer to that later:

—which will require an additional quantity of coal to what is now used at the present plant, and the McBean mine could supply a considerable amount of it as well as the independent mine in the area. There should be definitely no closing of this mine, as I have stated, unless alternative employment is provided . . .

And so on. The report continues to talk about independent mines and about the one at Westville.

The minister will probably say, from reading the Donald report of May, 1966, that the McBean mine has a probable life of about four years. I am led to believe, from information of the last few days, that the company does not agree with that assessment; it says that the mine has a lesser life span. Whatever the life span of the mine may be, and whatever its resources are—and I will accept Doctor Donald's estimate of four years from 1966, which would bring the end of the mine life to 1970—every assistance ought to be given to it. The employees of the mine should be taken under the protection of the crown corporation to ensure that the mine might continue working until the very end, so long as resources are there to be mined.

Not long ago I received a telegram, which the minister also received, from local 8672 of the United Mine Workers of Thorburn protesting that money for new equipment was not allotted for the McBean mine. The people out there were very put out. I was advised that certain equipment was required and was purchased by the Dominion Coal Board, for lease to Dosco. That was to ensure that the mines should continue in operation pending the setting up of the crown corporation. I was advised that certain equipment is necessary at this time for the McBean mine.

In replying to me and to the U.M.W., the minister said that the location of equipment and the use of equipment which was purchased by the Dominion Coal Board is subject to the decision of company management. I do not know whether that is so, and perhaps the minister can enlighten me further when he has an opportunity to speak. Perhaps that is the situation, but my information was that this equipment is definitely necessary to continue the McBean mine in operation to the end of its life, which I hope will be in 1970. I do not know whether the government intends to take the estimate of the Donald report; frankly, I do not know what will become of this mine. It is a little orphan, being the only one of the Dosco mines which is not covered by this agreement. I do not know whether Dosco will continue to operate it and I wish the minister would enlighten me on that point, and enlighten as well the 400 people who depend on the mine for their livelihood.

I suggest to the minister that if this mine is not covered in the resolution, or in the bill which is to be brought forward, alternatives should be considered for this area. The life of

the mine must be lengthened as much as possible to alleviate the situation and to see that these people are kept employed, until the employees could be taken by another independent mine which could be set up or until alternative employment is found for them. Nevertheless I suggest that the McBean mine must be continued, and I hope that the minister does not adopt suggestion "I"—I think it is, of the Donald report, that the McBean mine will have only one year to go. However, since it is now 1967 I presume that under this suggestion the mine would close in 1968.

The same report states that the life of the mine would terminate in 1970, as its resources are adequate until then.

I do not think the Dosco people intend to open another mine in the area; they are getting out of the mining business. The government ought to assist in the establishment of another independent mine or an alternative means of employment for 400 people in the McBean mine, before it closes.

The minister may ask, "What is the point of that?" I noted at the beginning of the debate that he was optimistic about the corporation and about getting other industry into the Cape Breton area, but pessimistic so far as coal in this country is concerned. I wish to make a few observations about the future of coal in Canada, and in that connection to quote from the Montreal *Star* of March 27, 1967. This is a Canadian Press dispatch, containing this report of what was said by the chairman of the Dominion Coal Board:

> Consumption of coal in Canada is rising slowly but steadily and probably will continue to meet a vital part of Canada's future energy needs, J. Watson MacNaught, chairman of the Dominion Coal Board said.
>
> "For industry, there is no doubt that the use of more convenient fuels will increase more rapidly," he told the coal division of the Canadian Institute of Mining and Metallurgy.
>
> "But directly or indirectly through thermal electricity, coal, I think, will always have a substantial share of the market."

Then he continues:

> Despite rapid development of other fuels, coal consumption "is again slowly but apparently steadily increasing," due mainly to demands for coal-fired electric generating stations.
>
> The thermal electric power industry in Canada expects to be using in the future more coal than this country consumed for all purposes at the peak of past consumption in 1948—and this in spite of the fact that Canada is a leader in the development of nuclear power plants."

Next I wish to read from something that will interest the hon. member for York East;

[Mr. MacEwan.]

something from the Ontario *Hydro News* which is put out by the Ontario Hydro people. The article speaks of the uses of coal in Ontario in the next few years, and goes on to say:

> Coal remains by far the largest single item on Hydro's shopping list. Last year, expenditures in this field amounted to approximately $37,000,000—an all-time record but one likely to be eclipsed regularly as the balance of generation swings more heavily in the direction of coal-burning thermal plants. By 1980, the Commission's annual coal bill could reach nearly $77,000,000.
>
> Ontario, a power-hungry province, tends to double its electrical energy requirements every 10 to 12 years—a demand far beyond the ability of our rivers to satisfy. And so the emphasis now is on coal-burning facilities located close to major load centres and with adequate water facilities for cooling and coal transportation purposes.

Then the article refers to the Lambton plant.

• (8:30 p.m.)

Of course, it may well be said that these remarks refer to Ontario. Subventions had to be paid on the coal going to that area. I wish to point out that the capacity of the new generating station to be placed a few miles from the McBean mine will be 150,000 kilowatts as compared with some 60,000 kilowatts generated by the present plant. Operating at full capacity, this plant, which is being set up with assistance from the Atlantic Development Board, will require approximately 400,000 tons of coal each year. The McBean mine at Thorburn would be no more than ten miles from the new station at Trenton. For this reason I believe the mine should be continued in operation as long as possible. Perhaps an independent mine could then be set up with assistance from the federal government, because the power plant will provide a market for the coal produced.

The minister will no doubt tell us, when he speaks what has been done by the Atlantic Development Board to help establish new industry. There is the Clairtone plant, and so on. I feel strongly that the industry I have mentioned is one that should be carried on, especially if, as the leader of the Liberal party in Nova Scotia says, operations with high labour content are needed.

I went over the agreement between Canada and Nova Scotia and I should like the minister to advise me as to precisely what is meant when the agreement states, on page two, in connection with subventions:

> Immediately the corporation acquires the Cape Breton coal mining and related coal works and coal undertakings of Nova Scotia Steel and Coal Company Limited and Dominion Coal Company

Limited, Canada shall withdraw order in council PC 1966-54 dated March 23, 1966, which provides for the payment of subventions in respect of coal produced in Nova Scotia, in so far as these subventions relate to the coal mines being acquired by the corporation and to the independent coal mines, it being understood by both Canada and Nova Scotia that the McBean Mine in the county of Pictou is not an independent mine.

I have a copy of that order in council here. It refers to the subvention mentioned by the minister of $10.50 per net ton in Ontario or Quebec and $8.50 per net ton in the Atlantic area. Will this subvention continue to be paid for coal mined at the McBean mine? What about the assistance given under the Atlantic Provinces Power Development Act which provides for subventions in respect of coal used in power plants to generate electrical energy?

I recall that Doctor Donald said in his report that the government should review the various acts under which assistance is provided for the Nova Scotia coal industry. I wonder whether clause 3 on page two of this agreement wipes out all these subventions under the Atlantic Provinces Power Development Act. Or would it be correct to say that it only wipes out this particular subvention of $10.50 in Ontario or Quebec and $8.50 in the Atlantic provinces?

The independent mines will of course be under the jurisdiction of the provincial government. I have one such mine in my own constituency, the Drummond mine. The Drummond mine is a colliery close to my heart inasmuch as it helped me get my education. I worked there during vacations. It still employs about 100 miners. I am hopeful that this mine will continue in operation. But I am wondering whether the Atlantic Provinces Power Development Act which has assisted it so greatly, as well as the McBean mine, will continue to give this support. The agreement is not clear on this point, in my opinion, and I should like the minister to clear the matter up.

The Chairman: Order. I must advise the hon. member that his time has expired.

Some hon. Members: Carry on.

The Chairman: Does the hon. member wish to continue?

Mr. MacEwan: Yes, Mr. Chairman.

The Chairman: Does the hon. member have consent to continue?

Some hon. Members: Agreed.

Mr. MacEwan: I thank the committee for allowing me additional time. I shall take only a couple of minutes. May I again urge the minister that an amendment be made, in this resolution or in the bill which we hope will shortly follow, which will cover the McBean mine at Thorburn. I ask this in view of the words in the Prime Minister's statement of December 29 that the crown corporation when established will "acquire, reorganize and manage the coal mining interests of the Dominion Steel and Coal Corporation". This pronouncement led me, the union and the workers in that area to believe that this mine, too, would be taken over by the crown corporation which is to be set up.

There is much anxiety among the miners, the clerical staffs and the rest of the workers in my area to know what will happen to them. Once this corporation has been set up, will Dosco close down the operation within the year or will it continue as long as the resources of this mine can be exploited?

These anxieties would be relieved if the operations of this mine could be continued for the full life of the undertaking, and I therefore ask the minister to broaden this resolution, if necessary, or the bill when it comes before us, so as to make provision for this mine with its 400 workers in my constituency.

Mr. MacEachen: The passage of this resolution and, I trust the passage of the bill which is to follow will bring a message of hope to the coal miners and their families who are dependent upon this historic industry in the province of Nova Scotia. This message of hope is all the more important in the exceptional circumstances, the aggravated circumstances, which presently prevail in the Cape Breton area as a result of major lay-offs in the steel industry.

• (8:40 p.m.)

It is frustrating and depressing that at a time when we thought we were making real progress to produce a solution to the long term problems of the coal industry we should, almost at the very moment we are debating the resolution here, be faced with an almost equally serious problem in the steel industry. Yesterday we met a delegation headed by the premier of Nova Scotia, and heard representations from the government of Nova Scotia, the union officials and community leaders pointing out the effect of these lay-offs upon morale in the community. Naturally the government of Canada is very concerned about these developments and is ready to explore every possible and practical

measure that could avert further lay-offs and return unemployed steel workers to their jobs. The terms of the resolution do not provide, as advocated by the hon. member for York South —as I understood his remarks—for a take-over of the steel industry. That would be a complicated addition to the heavy responsibilities placed upon this corporation at present, and there is no likelihood that a take-over of the steel industry by a public corporation would command much support at the present time. That is not to say that the new corporation will be indifferent to the future of the steel industry in that area.

The terms of reference of the corporation will be clearly spelled out in the bill which is to follow, and these terms of reference will be seen as broad terms of reference empowering the corporation to deal with a variety of techniques in increasing employment opportunities and broadening the economic basis of the island of Cape Breton. Certainly the part of the resolution setting aside an initial sum on federal account for industrial development indicates that the job of the corporation will be to promote and assist the development of industry on the island.

I have no authority to dictate to the corporation, but it is inconceivable to me that a corporation entrusted with such responsibilities could avoid taking a keen interest in the future of a major employer in the area, namely the steel industry. But that of course is a long term function or job facing the corporation, and the corporation will not be in a position to influence the immediate problem facing the steel workers of the island of Cape Breton.

The hon. member for York East suggested that the introduction of this resolution had been, as it were, surrounded by an atmosphere of lethargy. I assure him any such atmosphere is the result of climatic factors, rather than lack of confidence on the part of the government in the possibilities for development on the island of Cape Breton. We have had recent illustrations of important developments on the island of Cape Breton, and I believe that the expertise and the financial capacity that will be attached to this corporation will accelerate these favourable trends.

I assure the hon. member that the purpose of the federal government in reaching an agreement with the government of Nova Scotia is to create an atmosphere of development so that the economy and the population will not be as dependent as at present on the coal industry, which is in economic difficulties. I think it is important to underline that the policy at the root of this measure is a joint policy, agreed to by the government of Canada and the government of Nova Scotia, and carrying the support both, morally and financially, of the government of Canada and of the government of Nova Scotia.

I regard as a real triumph the work of the Minister of Energy, Mines and Resources in undertaking these negotiations so successfully with the government of Nova Scotia. No other minister in any government of Canada has been able to engage any former government of Nova Scotia in such an ambitious joint undertaking to resolve the problems of this industry, and it seems to me the fact that both governments are involved ensures that the task will be undertaken on an objective basis and with the public interest in mind.

There is no conflict between the governments on the policy. There is no conflict between the governments on the objectives. There is a clear understanding that has been incorporated first of all in a policy pronouncement of last December and which is now crystallized in an agreement signed on the one hand by the Minister of Energy, Mines and Resources, and on the other, by the premier of Nova Scotia, so that in this resolution we are dealing with a bipartisan approach to a long standing problem.

The fact that two governments with a great deal of public support have been able to produce this kind of policy underlines an immense change in public attitude towards the existence of this historic industry in Nova Scotia. If the former member for Cape Breton South, the late "Clarie" Gillis, were in the house he woud be surprised that at the present time a public authority had been established not only to rehabilitate the coal industry, but had been established to provide alternative employment for any persons who would be displaced as a result of that modernization. I remember when the late "Clarie" Gillis was the coal authority in the House of Commons and when his interests were always directed to the problems of the coal industry.

There has been an immense change in public attitude, not only in the readiness to bring forward a public corporation but also in the readiness to accept a possible progressive decline in coal production in the coal industry in Nova Scotia. The economics of the situation are clear. Because of rising costs of production, because of the onrush of competitive fuels, it is becoming increasingly difficult for Nova Scotia coal to compete in fuel markets.

Increasing public support has been given to the industry through subventions to the extent that, in the words of the minister, this year approximately $31 million will be spent for this purpose.

The government was faced with the prospect of continuing these large subventions with no ultimate solution to the problem. The expenditures would continue and, in the absence of any plan, at some point these mines would no longer be able to operate and the result would be the collapse of the economy of the island of Cape Breton. We know that if these mines were allowed to close today, if suddenly the public support were withdrawn, it would mean the collapse of the economy of eastern Nova Scotia and it would have a very bad effect on the total economy of the province of Nova Scotia.

• (8:50 p.m.)

No modern government could permit this to happen, especially in view of the long standing commitment to the industry in the form of subventions. So the economics are that of an industry embattled by unfavourable economic forces, and the sociology is the readiness on the part of the public authorities to move in to help the industry modernize and phase out its operations on a progressive basis, and in the meantime build up alternative industries so that there will be a cushioning effect on displacement and so that the total economy and the total community will be protected.

The governments of Canada and of Nova Scotia have agreed that there must be a relationship between the phasing out of the coal industry and the development of alternate industries. It would be inconceivable to me, for example, that suddenly No. 12 mine at New Waterford would be closed out without there having been some success in establishing alternative industries. This is a mine which employs about 1,000 men. This attitude is clearly stated in the policy pronouncement by the two governments and I think will be implicit if not explicit in the bill when it is revealed to the house.

The resolution authorizes the investment of $25 million in the coal industry. The question immediately will arise, why spend $25 million in an industry which it is believed over the long term will not be a permanent industry. Well, the reason is that this capital investment is necessary to maintain the industry in a safe and economic condition over a period of 10 or 15 years, which is regarded as its normal working life. So the corporation will have this capital to use in modernizing the mines, or in opening a new mine if in its judgment this is the best way to spend the money. In addition the corporation will have an initial endowment from the federal authority of $20 million and an initial endowment from the provincial government of $10 million so that it will be in a position to engage in industrial promotion and industrial development. This will be a powerful weapon which can be used in an effort to encourage industry to come into this area. It is part of the policy pronounced that savings from subventions will be applied to augment the industrial development fund.

Members from all parts of the house will understand that this is not a local problem. It is a national problem because of the large numbers of individuals, their families and, as a result, other persons who are dependent upon a single industry. It is reasonable therefore to plan the adjustment of this industry. It is for that reason that the public authority has been obliged to step in, take over the operation of these mines, modernize them, rationalize them throughout their lifetime, and simultaneously develop the alternative industries which will be necessary to maintain a strong economic foundation. That is the philosophy behind the resolution.

In the House of Commons for a long time we have grappled with the problem of the coal industry. This is the first time we have been able to come forward with a realistic solution which takes into account the economics of the industry and the sociology of the people living in this part of Canada. The hon. member from Pictou county understandably is concerned about the operations at McBean. Undoubtedly he will have some further discussion with the minister who is directly responsible. All of us are concerned about and understand the problem.

We are gratified, that among all the areas of Nova Scotia, in recent years Pictou county has made marked industrial progress. It has made marked industrial progress because of the operation of Industrial Estates and because of the funds channelled into Pictou county from the Atlantic Development Board. As my hon. friend will realize, these were very large amounts indeed. There are 400 men employed at McBean. There are 6,000 or 7,000 miners involved in the economy of Cape Breton island. This government and the government of Nova Scotia were not indifferent to the interests of the McBean miners and the people of Pictou county. It was concluded, however, that the special thrust of a special corporation was not essential to the solution of the McBean

problem, especially inasmuch as the mine is located in an area which has shown a healthy industrial development.

I have always been interested in the coal industry. There are very few miners in the constituency of Inverness-Richmond. Previously it had been a constituency with several large mines. It was an important coal producing area. These mines worked themselves out; they left ghost areas, not only in that part of Nova Scotia but elsewhere. This tragic result in the coal mining industry was caused by a lack of planning and adjustment. There is no industry that has more tragedy behind it than the coal industry, not only in Canada but in every part of the world.

I have been interested, even though there are very few miners in my constituency, because my father worked in a coal mine for 44 years. He spent all his life in the coal mines. I was closely associated with the psychology, the working conditions and the economic conditions of the coal miners of Cape Breton Island. I have taken a part in the debate on the resolution stage, Mr. Chairman, because of a long standing interest in the problem and because of an immense satisfaction that proper steps are ultimately being taken to resolve this problem.

Mr. MacInnis (Cape Breton South): Mr. Chairman, would the minister permit a question. I should like to ask him whether he would take time out to explain how he can assume that the policy statement has been crystallized by the resolution, when we go back to the problem faced by the hon. member for Pictou. The policy statement says:

> In addition, it is the intention of the federal government to establish with the province a joint framework which will permit the concentration of all federal and provincial efforts to promote the economic development of eastern Nova Scotia and Cape Breton Island in accordance with a comprehensive plan.

The inclusion of the McBean colliery, as the hon. member for Pictou so ably put before us, certainly was referred to in the original policy statement.

• (9:00 p.m.)

The minister might also consider the fact that when the naval base closed down, placing 600 people out of employment, the federal government at that time announced an alternative work program for each and every man laid off. Today there are still a number of people laid off at this naval base who have not been placed in alternative employment. In this connection we must remember that phrase used by the Prime Minister, to the effect that the development corporation would cushion the effects of displacement. It was my understanding from the earlier statements and the resolution that any minor displacements in Cape Breton would be looked after by alternative employment.

Mr. Pepin: Mr. Chairman, I might try to answer some of the questions at this point very quickly so as not to filibuster my own resolution.

The Chairman: Order, please. I must remind the committee that the minister requires the unanimous consent of the committee to speak again.

Mr. Douglas: Mr. Chairman, the Minister of National Health and Welfare has described the resolution and the legislation which is to follow it, regarding the setting up of the Cape Breton Development Corporation, as a star of hope for the miners of Cape Breton. I hope his prophecy proves to be accurate and that when the legislation comes down we will be able to find as much hope as the minister seems to indicate. Certainly, in the statement made this afternoon by the Minister of Energy, Mines and Resources I cannot see this star of hope shining on the horizon. As a matter of fact, the program the government is introducing at this time is like so many of its programs: It is a matter of too little and too late. It certainly is very late.

The problems which are now on the government's doorstep have been accumulating over a long period of time. The minister made reference to the late "Clarie" Gillis. He and I were deskmates in this house for quite a few years. Some 25 years ago he was pleading with the Liberal government of that day to set up the kind of corporation we are now considering, to establish a Cape Breton coal, iron and steel complex under the authority of the federal government. The minister said he was sure that the late "Clarie" Gillis would be surprised now if he were here and saw this legislation. He certainly would be surprised that it has taken the government 25 years to get around to it. That hon. gentleman recognized the tragedy of the political leadership of this country for so many decades, mainly because they are always bringing in the solutions of yesterday to meet the problems of today. Had the corporation been set up 25 years ago, or even immediately after the war while the industry was still reasonably economical, before the resources had been depleted and the profits had been sucked out

of Nova Scotia, and before the communities had been allowed to deteriorate, we would now face a totally different situation.

We are now facing a crash program to deal with a crisis. The government is dealing with it very, very late. The hon. member for York East was quite right and with very good reason, when he said that the government was dealing with this matter as though it were attending a wake. Almost everything the minister said this afternoon, and a considerable part of what has just been said by the Minister of National Health and Welfare, had to do with phasing out the coal industry. Clause 5 of the agreement which was signed by the Minister of Energy, Mines and Resources and the premier of Nova Scotia sets out the responsibilities of the corporation, one of which shall be to establish the target phase-out timetable for the coal mines.

I am not as pessimistic as some people about the future for coal either in this country or in the world generally. I know there are particular problems in respect of the Nova Scotia coal industry. However, most coal authorities admit that with the increasing capital costs of hydro power and the very high capital costs for nuclear power, thermal plants are coming into their own.

There has been a very considerable expansion in the demand for coal in many areas. New research is being done with reference to chemical production from coal. I notice that the Nova Scotia voluntary economic planning board suggested in a summary of a report that there seems to be a fairly firm demand for some 4,500,000 to 5 million tons of Cape Breton coal until about 1972. I have not seen their working papers and do not know how dependable this estimate is, but as the member for York East has done, I rather deprecate the government for its assumption, that the main purpose here is not to praise the coal industry, but to bury it.

When we get to the bill itself I hope we can obtain from the minister some idea of what he means by phasing out the coal industry. If he means phasing out some of the uneconomic mines and opening some new seams that are more economical, like the Lingan seam, that would make sense. If he means a gradual phasing out of the coal industry in Cape Breton the people should be told.

What has the government in mind? Is it aiming at 2 million tons per year as the norm, or 1 million tons by 1980? Does it estimate that coal production in Cape Breton will have been reduced 1 million tons per year by then? We should have some idea of what this phasing out program is, because phasing out really means phasing out the livelihood of some 6,500 coal miners, many of whom are probably too old to be retained for other kinds of employment.

I think we should know something of the training programs that are going to be introduced. On second reading of the bill we will want some assurance from the minister that there will be no phasing out of any coal operation, or a discharging of men engaged in the coal industry until such time as the industrial development program has provided job opportunities for them. There has to be a synchronization so that coal miners and others will not be thrown out of work until the Cape Breton Development Corporation is able to assure them employment in some other industry in Cape Breton.

Mention has already been made of the matter of compensation. The minister has not said anything about it, but I assume that when the legislation comes down we will be authorizing the development corporation to acquire the mines presently owned by the Dominion Coal Company. Certainly this parliament ought not to be asked to give such authority to an autonomous corporation without knowing the basis upon which compensation is to be paid, and the underlying principle, and whether or not there is to be a ceiling.

• (9:10 p.m.)

I noticed that a report in the *Globe and Mail* of March 8, 1967, said that a government committee had met with a committee of the preferred shareholders of Dominion Coal Company and had agreed that the pro forma book value would be a reasonable price for their acquisition. The pro forma book value, according to this report, is $19,947,677, possibly $20 million.

Mr. Pepin: Mr. Chairman, I should deny immediately that such an agreement was reached.

Mr. Douglas: Then I think it would have helped a great deal if the minister had told us this afternoon, when he introduced the resolution, what will be the basis of compensation. The minister is surely not going to come into this house with legislation—

Mr. Pepin: It is in the bill.

Mr. Douglas: The minister says, "In the bill." He introduced the resolution. The resolution ought to cover the main tenets of the

bill. If the minister is going to introduce a bill into the house asking us to authorize an autonomous corporation to handle certain arrangements, we ought to know on what basis the corporation will be operated and what arrangements will be made, because the cost of operating the corporation will come back into parliament in the form of supplementary estimates.

When the minister introduces the bill I hope he will tell us what payments will be made and on what basis they will be made because, as has been said repeatedly already, we ought not to be paying for liabilities. These are mainly what the government will be taking over. The resolution says we will be asked to authorize the payment of $25 million to this development corporation for the purpose of rehabilitating and modernizing the industry. I hope the minister will give us some information about this.

The minister said this afternoon that whereas the Minister of National Health and Welfare had said on October 5, 1965, that $25 million would be given to the coal industry, $10 million to open the Lingan seam and $15 million to modernize the industry, Doctor Donald in his report had taken a contrary view. So the government, with its usual decisiveness has decided to leave the matter to the development corporation to settle. I hope the minister does not think he will get a bill through the house without something more specific than that.

In October, 1965, the government thought it was worth spending $10 million of the taxpayers' money to open the Lingan seam and it was worth another $15 million to modernize the coal mines in Cape Breton. That was the policy. If that is not going to be the policy the government intends to follow, we want to know what policy it is going to follow. Also we want to know the reason for a change in policy, unless the minister thinks the Minister of National Health and Welfare was not speaking for the government and was merely making up that policy out of his head.

When the minister introduces the bill I hope he will also tell us what relationship there will be with the seven small, private coal companies which I understood him to say this afternoon are going to be taken over by the province of Nova Scotia. Will they be operated by this development corporation? It would seem to me somewhat ridiculous to have the federal government setting up a corporation to provide a coal marketing service and to have the provincial government setting up a different coal marketing service, and to have both of them carrying out certain research on the uses of coal and market prospects for coal. Surely it makes sense if this development corporation which we are now setting up is to operate all these mines with some arrangement with the province of Nova Scotia, and also to include the McBean mine. I see no sense in leaving that mine by itself, even though it is in Pictou county.

When I said this measure was not only too late but too little I had in mind the fact that the government is in danger of proceeding to do in respect of steel what it has already done in respect of coal. Having neglected all the pleas for action by the coal industry until we are now in the position where the government is talking about phasing it out, we are facing an almost identical situation with regard to the steel industry.

The minister said a few moments ago that to include the steel industry in this development corporation would not gain widespread support. I do not know on what the minister bases that statement. If there is one thing the government ought to learn, it is that the art of governing is the art of foreseeing. It is not a matter of waiting until the government is pressed into doing something. It is a matter of the government seeing the signs that are all about it that the steel industry in Cape Breton island is in trouble. The government should not wait until the steel mill is closed, but should do something about it now.

The steel industry has for some time been having increasing difficulty. I do not think there is a doubt that it is in the process of being phased out by Dominion Steel and Coal Company. Dominion Steel and Coal Company constructed its rod and bar plant at Contrecoeur. It constructed its flat plate mill at Contrecoeur. This means there is virtually no processing at all being carried out at the Sydney plant. Those two mills at Contrecoeur will each require about 300,000 tons of steel per year, but the capacity of the Sydney steel plant is over one million tons a year. Where is the market to come from for the other 400,000 tons, unless there is some diversification of the steel plant at Sydney to begin processing light standard fabricated steel? There is no indication that Dominion Steel and Coal Company has any such intention. As a matter of fact, it is much more likely that if they decide to fabricate light structural steel, it will be fabricated at Contrecoeur.

It is rather significant that the steel plant at Sydney has two blast furnaces and two open-hearth furnaces. It is almost the last plant to

continue with open-hearth furnaces. There are a good many people who suspect that when the time comes to close out these obsolete furnaces, the plant will be moved to Contrecoeur, and that we are now in the first stages of phasing out the steel industry.

The minister says there is no public support for this, but I would point out that the Cape Breton *Post* in an editorial of Saturday, June 10 last, suggested three things: First, a take-over by more competent management; second, a take-over by government, federal and provincial, in association with new management; and third, a transfer of control and management to the new crown corporation which comes into being shortly, operating the Sydney plant under the status of a new industry. So there seems to be some support in Cape Breton for the government including the steel industry in this new development corporation. The Federation of Labour has made similar representations. As a matter of fact, I predict that if this government does not take steps now to include the Cape Breton steel industry in the development corporation, 10 years from now some government in this chamber will be introducing legislation to deal with a steel industry that has folded up in Cape Breton. Now, instead of wasting time as we did with the coal industry, instead of allowing opportunities to slip by and then engaging in a phasing out operation, surely this is the time for the government to step into the steel industry in Cape Breton. These industries are complementary, as they have found in other countries where governments moved in to set up a complex of coal, iron and steel. They go together naturally.

• (9:20 p.m.)

As a matter of fact, the steel industry provides some of the market for coal. I understand that 50 per cent of the coal which is used in the steel plant is Cape Breton coal. If the steel industry folds up, this will be another set-back for the coal industry in Cape Breton. I hope the minister and the government, before they bring in the bill, will give very serious consideration to this matter. They are not going to be able to evade this issue by doing what the Minister of National Health and Welfare did this evening, by saying, "I cannot conceive of a development corporation being set up that will not concern itself with the steel industry." What can this corporation do about the steel industry, with $20 million?

This is a matter of total government policy. As I said this afternoon, the president of Dominion Steel and Coal Company, Mr. C. H. Drury, pointed out last year that in the Atlantic provinces 14,000 tons of steel were brought in from other countries.

The Chairman: Order. I must advise the hon. member the time allotted to him has expired.

Some hon. Members: Carry on.

The Chairman: Does the committee consent to the hon. member continuing?

Some hon. Members: Agreed.

Mr. Douglas: I thank the members of the committee, and I will certainly not impose on their generosity. Mr. C. H. Drury, the president of Dominion Steel and Coal Company, has pointed out that last year 14,000 tons of steel from other countries came into the four Atlantic provinces. He points out this represents 30 per cent of the consumption of reenforcing steel in the four Atlantic provinces. It was for this reason he made an appeal to the government of Canada to specify in all their contracts that Canadian steel must be used. This would not solve the whole problem, but it points up the very serious situation in which the steel industry finds itself in Cape Breton.

Some 700 men have been laid off since last November. The latest notice which has been given to the union is that one blast furnace and one open-hearth furnace are to be closed. This will mean laying off another 400 men. I urge the government not to give us any more soporifics, that this situation will right itself. It is not going to right itself unless there is direct and dynamic government action. The time to take that action is when this legislation is before the house. The Cape Breton Development Corporation should be given jurisdiction over the steel industry in Cape Breton, as well as the very sick coal industry which we are handing over to their care.

May I say just one other thing, Mr. Chairman, before I sit down? I should like to refer to the second function which is being given to the development corporation, namely that of sponsoring and initiating new industries. I would certainly say that $20 million is a very small capitalization upon which to establish new industries. There are many small cities in Canada with bigger industrial development funds than $20 million. As a matter of fact, millions of dollars have already been invested in Cape Breton by the government of Nova Scotia and as a result of the activities of the Atlantic Development

Board. To date, I think they have provided something like 400 new jobs. I am not complaining about this. I am simply pointing out the tremendous sums of money it takes to provide employment.

I believe they have been able, with three new industries, to create 400 jobs. If that is so, how much does the government think it is going to take to provide jobs for not only the 6,500 miners who may be eventually displaced, but for the 1,500 jobs which must be found every year in Cape Breton if we are going to keep the young people from having to move off the island. If the government feels that this $20 million is merely a token payment and other money will be brought along as it is needed, then that is fine. I believe the government would have given the committee a much more realistic impression of its intentions if it had put a lump sum in the resolution and in the legislation, on the understanding of course that it would be spent only as the opportunities arose. We should know from the minister what goal he has in mind and what sum of money is to be available. Surely he does not think that $20 million is going to be an adequate amount.

Mr. Pepin: I stated very clearly this afternoon that the moneys saved on subsidies would be devoted to economic development. This is clear, so the sums the hon. member is referring to now are simply a first investment in this operation. We are just as aware as he is of the requirements that are needed to proceed to the kind of economic development we have in mind for Cape Breton.

Mr. Douglas: I heard the minister say that. I also understood, unless I misunderstood him, that the sums which the government is going to save by discontinuing the subvention will also be used to meet the losses of this corporation in operating the coal industry. The coal industry in Cape Breton is now going to operate without subventions. Is the minister telling the committee that the government will meet the losses out of the federal treasury, and that the savings on the subventions will be turned over to this development corporation for the development of new industry? Is that what the minister is telling us?

Mr. Pepin: I will repeat what I said. The moneys saved on subsidies will be transferred to the economic development branch of the corporation.

Mr. Douglas: Oh, yes, of course. However, the minister must not try to kid the troops like that. Of course the money saved on subventions will be turned over to the economic development corporation. How much of that money will be used to meet the very considerable losses that will result from the fact there are no longer subventions? This corporation is now going to have to operate on the basis of no coal subventions. This will mean either that it has to sell coal at a lower price and lose money, or lose markets.

Now, the minister has given himself a good problem in arithmetic, so I suggest he get his homework done by the time the house meets again. I want the minister to tell us when he brings down the bill how much of the, let us say, $30 million which will be paid in subventions will be required to pay the losses which will occur by virtue of the fact there are no subventions. How much of that $30 million will be available for the development of new industries? I want the minister to tell us that. Unless he can show us that there are considerable sums of money to be available, then I come back to my main contention, that this $20 million is merely a token figure. Unless the government is prepared to make much larger sums available there will not be many new industries. Consequently new jobs will not be available to provide employment for the men thrown out of work as the coal operation is phased out, that being the government's plan.

• (9:30 p.m.)

The problem we are dealing with embraces more than coal and steel. We are dealing with the livelihood of men and women. It is extremely important that when the government brings in this legislation they provide all of the facts that are required. I say this because we are laying down a blueprint which is going to affect the lives of the people in Cape Breton for at least the next 25 years. Therefore I hope that the minister can give us a great deal more information than we have had up until now, and that this information will be forthcoming when he introduces the measure following this resolution.

The Chairman: Shall the resolution carry?

Some hon. Members: Carried.

The Chairman: Shall I report the resolution?

Mr. MacEwan: I asked the minister some questions, Mr. Chairman. Would he answer them now or does he prefer to wait for second reading?

The Chairman: I should point out that according to the rules under which the committee now operates the minister would require the unanimous consent of the house to speak again.

Some hon. Members: Agreed.

[*And the Chairman having left the table:*]

Mr. MacInnis (Cape Breton South): On a point of order, Mr. Speaker. When the chairman put it to the committee whether the resolution should pass, both the hon. member for Pictou and myself came to our feet intending to pose a question to the minister. The Chair then advised that the minister would need unanimous consent to speak, and I thought he was given that consent.

Mr. MacEachen: No.

Mr. MacEwan: Who objected?

Mr. Pepin: Do it on second reading of the bill.

Mr. Deputy Speaker: Order. The Chair has not yet reported the resolution. If there is any desire on the part of members of the house to resume in committee, there is no reason why that cannot be done. Is it the wish of the house to resume the committee?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Muir (Cape Breton North and Victoria): The minister said he was in a big hurry. Where is the hurry now?

Mr. MacInnis (Cape Breton South): I rise on a point of order, Mr. Speaker. When the Chair asked for unanimous consent, agreement was indicated on this side of the house. Unless someone cares to deny it, no one on this side of the house heard any objection to that from the other side of the house. The fact that you are now in the chair, Mr. Speaker, is an automatic way of getting this question out of the committee. We on this side have already given unanimous consent. It seems you are back in the chair just because the Liberals would not allow you to take the chair in committee. That seems to be the case.

Mr. Deputy Speaker: Order. I asked the committee whether they would give unanimous consent to allow the minister to speak again, but under the terms of standing order 61A the minister, like other members of the house, with the exception of the Prime Minister and the Leader of the Opposition, is limited to 20 minutes. The minister having spoken for 20 minutes, he has exhausted his right to speak unless the committee gives him unanimous consent to speak again. Then when I asked whether the minister would like to have unanimous consent to speak again, he said that he would speak on second reading of the bill.

Mr. MacInnis (Cape Breton South): With all due deference to Your Honour, that remark of the minister's was not heard. When as Chairman of the committee Your Honour put it to the committee whether the resolution should pass, both the hon. member for Pictou and myself rose to our feet in order to pose a question. The fact that Your Honour is now in the chair I think is a denial of the privilege of the members on this side of the house who are greatly concerned with this particular matter.

Mr. Deputy Speaker: I apologize to hon. members. The resolution has not yet been reported. If it is the wish of the members of the house to resume in committee of the whole, I shall certainly do so.

[*And the Chairman having returned to the table.*]

The Chairman: Order. House again in committee of the whole.

Mr. MacInnis (Cape Breton South): Mr. Chairman, the question I wanted the minister to clarify was the matter which was brought up this afternoon by the hon. member for Medicine Hat.

The Chairman: Order. I shall also have to point out to the hon. member for Cape Breton South that according to the rules he too has exhausted the time allotted to him.

Mr. MacInnis (Cape Breton South): Am I not allowed a question, sir?

Mr. MacEwan: Does the minister prefer to answer the questions on second reading?

Mr. Pepin: Yes, Mr. Chairman, I have already indicated that. I have about 25 questions to answer and I do not think the time would allow me to do it properly.

Mr. Churchill: Mr. Chairman, I am raising a point of order. I have often wondered about this rule 61A, which deals with a money resolution. I quite understand that it limits the debate to one day, and subsection 2 provides that no member shall speak for more than 20 minutes. When we are in committee of the whole it is customary, and has always been the case, when dealing with resolutions

to make a speech of a duration, say, of five to 20 minutes, but at the same time to ask questions and to get answers. Surely this rule does not prohibit the long established custom of this house, despite the length of time a member may have spoken in a prepared speech, of asking questions and getting answers from the minister.

I do not think it was the intention of the committee on rules to change this particular procedure that has been followed in the past. As it stands now—and this is the point on which I should like your ruling—it appears that a member is prohibited from asking a series of questions, but that he must get up and make a speech which is not to exceed 20 minutes duration. That never was the purpose of the study of resolutions in committee of the whole house.

The Chairman: Perhaps I can refer the hon. member to a ruling made by Mr. Deputy Speaker Lamoureux on April 27, 1965 when a similar question was discussed in the committee of the whole. At that time the ruling of the Chairman was that a member of the committee could speak as many times as he wished but the total time was not to exceed 20 minutes.

My difficulty with the minister is that, if he were to be asked a number of questions, since he has already exhausted the time allowed him he would need the unanimous consent of the committee to answer those questions. The Chair of course, has no objection at all to asking for that unanimous consent.

Mr. MacInnis (Cape Breton South): Mr. Chairman, a little common sense approach would go a long way toward solving this problem. Do I understand from that ruling that any member who had used up his 20 minutes would therefore be debarred from asking any questions? Since it has been established that I used my allotted time this afternoon and I was permitted to ask a question, it seems to me that a precedent has been established. I am sure that the same principle could be applied to the minister here, even though he has used up his allotted time of 20 minutes.

Mr. MacEachen: Mr. Chairman, I understand the desire of hon. members to ask questions of the minister, but if we pass the resolution hon. members will then have the bill. They will have a full opportunity to study the bill and to ask more informed questions in committee, at which time there will be no limitation such as that now imposed by this particular rule. My only point in rising is to assure hon. members that they are not losing anything by allowing the rule to be observed.

Mr. Douglas: Mr. Chairman, may I ask the house leader a question. The hon. gentleman said that we will have an opportunity to discuss the matter when the bill comes in. Can he tell us when the government intend to proceed with second reading of the bill? That will certainly facilitate any settlement that might be made of this matter at the moment.

Mr. MacEachen: Mr. Chairman, we have laid on the Registrar General's estimates for tomorrow. If we complete those we will take second reading of this bill; otherwise we will take it on Monday.

Mr. MacEwan: On the point of order, Mr. Chairman, may I say I did not intend to ask further questions. I thought that in my speech during the 20-minute period allotted to me I had asked sufficient questions. I wondered whether the minister wished to answer the questions now. He seems to have decided that he would answer them on second reading, and I am agreeable to that. I have asked my question, and I do not wish to ask more at this time.

• (9:40 p.m.)

Mr. Knowles: Mr. Chairman, it seems to me that the purpose of the 20-minute rule in this kind of debate was associated with the fact that the debate was limited to one day. In other words, since we were limited to a debate of one day we did not want a few members to monopolize the whole day. But we have not used the whole day; 17 minutes of it are left and nobody else wishes to speak. What is wrong with the common sense of allowing the minister to have the floor to answer some of the questions which have been put to him. I understand the difficulties in interpreting the rules, but there seems to be agreement for the minister to use the rest of the time to answer the questions. Why is there the timidity?

The Chairman: Order, please. I remind the hon. member for Winnipeg North Centre that the Chair does not object, if hon. members ask for unanimous consent. If the minister wishes to answer questions, and if he has the unanimous consent of the committee, he may do so. But he has stated that he would answer questions on second reading of the bill. If the minister wishes to answer questions now, the Chair has no objection.

Mr. Knowles: The word "timidity" did not apply to Your Honour. It was expressing the hope that the minister would take advantage of these few minutes to answer some questions.

Mr. Muir (Cape Breton North and Victoria): On a point of order, Mr. Chairman, it appears that the minister, in common with the Minister of National Health and Welfare is tired. We have 16 minutes left. I wonder if we could agree to let this request stand. Perhaps after the minister has had a good night's sleep he may be in a better position to answer questions.

Mr. MacInnis (Cape Breton South): Mr. Chairman, I do not rise on a point of order or on a question of privilege, but merely to say that the minister allowed the hon. member for Medicine Hat, who spoke this afternoon, to misinterpret him. The subvention money will not be withheld once the corporation is set up. The corporation will of necessity have to use that money for transportation, and to keep the mines operating until they can be phased out. There will be no additional money, as I said this afternoon, and the minister agreed with me. This evening he tried to leave another impression. It is a matter of taking the money, so to speak, from the subvention pocket and putting it into the corporation's pocket. As I said, the corporation would have to spend money for the transportation of coal to markets if the mines are to be maintained until they are phased out. At least the minister ought to make that point clear.

Mr. MacLean (Queens): I want to say a few words, not because we have any coal mines in my province, but because this matter is important to the economy generally of the maritime provinces. We have no coal mines in Prince Edward Island, though by devious means we have produced at least one chairman of the coal board.

I want to impress on the minister the importance of finding a solution, without reservation or hesitation, to this serious problem, and I want to ask him and the government to bring the most generous and exacting consideration to it.

The economy of any area such as Cape Breton island and eastern Nova Scotia is not an entity in itself that can be separated from the general economy of the area. When the economy of Nova Scotia is prosperous, there is an ever widening circle of economic benefit that accrues generally to the maritime provinces. When the reverse obtains we in Prince Edward Island feel the pinch. Traditionally, when eastern Nova Scotia is prosperous we have found there an important market, chiefly for our farm and food products. When a depression or lack of employment becomes apparent in the industries of Nova Scotia, the effects, rather strikingly, are immediately and recognizably felt in the economy of Prince Edward Island.

There was a time half a century ago when the industrial prospects of eastern Nova Scotia seemed bright. That was a period of buoyancy and optimism and it had beneficial effects on the economy of the entire area. For the last 25 years we maritimers generally have been plagued by a series of industrial difficulties, first in one industry, then in another; and often these were not unrelated to each other. The failure of an industry, or the lack of vitality in an industry owing to its low profits or because it could not be viable without subventions or an artificial stimulus, had a depressing effect and lowered confidence in the whole area.

This matter is not of exclusive and direct concern to the industries in the area we talk of. What happens has a subsidiary effect on the whole economy of the maritimes. I am sorry to take time with the statement, but I want it to be understood that this is a matter in which all maritimers have a deep interest. I believe all Canadians should be deeply interested in this, and they probably are.

In the maritimes and the Atlantic provinces generally we are cursed—that is not too strong a word to use—because, to balance our economy, we have to buy for the most part manufactured goods which are manufactured chiefly in central Canada, behind protective tariff walls, and we must find markets for our own products, not generally in Canada but in foreign places. This is especially true of Newfoundland, and it is true to almost as great an extent of Nova Scotia and the other maritime provinces.

In that part of Canada we have no bargaining position vis-à-vis the rest of Canada. We cannot argue about tariffs and other arrangements which might be beneficial to large segments of our economy. We are the victims quite often of measures that are considered beneficial to Canada as a whole, or beneficial to the large economic interests. By "large economic interests" I refer to the large segment of the Canadian economy.

• (9:50 p.m.)

This leaves us in the Atlantic provinces in the position where we have not enough

weight from a political point of view to give our views an overriding effect—I use the phrase "political point of view" in a general way to mean that we are not large enough in the over-all picture to do so, and that is only to be expected. So we have to make the best of circumstances in which artificial effects on the economy are brought about by tariffs and other devices. Then we are left, or have been, historically, to forage for ourselves—to do the best we can to find markets for our products, products of the mines, the forests and the sea which for the most part must be exported to world markets at a world price which is generally based on lower wage standards and lower local prices than those which exist in Canada and the United States. Only in some cases are markets for our products to be found in the United States. Most of them go to low price areas, low labour cost areas such as the West Indies, Spain, Portugal and Italy.

If the bill which is to follow this resolution will do anything to solve the serious economic problems of Cape Breton and Nova Scotia generally, we in the maritimes support it wholeheartedly. We are not at all certain that this will be the effect. All I want to say is that this is not a matter which is of interest only to members of parliament from eastern Nova Scotia.

Mr. Peters: Now that I have thought about it, I am sorry I do not have more time in which to make a speech. The question which the minister has to answer is: Where does the subvention go? There is a relationship between the Dominion Coal Board, with its subventions, and the effect of the Emergency Gold Mining Assistance Act on the operations of mines in northwestern Ontario. These subventions concern the economy of the gold mining area, as they do the economy of the maritimes.

The fact that the hon. member for Inverness-Richmond has left the chamber is no reason for the minister not answering the question which was put to him. It will undoubtedly be brought up again on the second reading of this bill. The Prime Minister has said that this $25 million, the coal subvention, will be given to the corporation. But does the minister not realize that if the corporation mines and sells coal it will have to pay exactly the same subvention as the coal board did, or it will find itself with no markets? This means that the $25 million is transferred from one pocket to the other; the situation will be unchanged.

[Mr. MacLean.]

The fact that the industry will be operated by a government agency and that the Canadian public is now becoming more interested in allowing efficient crown corporations to run economic operations in this country, will not really make much impression on Toronto when that city buys coal for its steam generating plants; it will still want to pay the same price, and to maintain the same price the government would have to pay a transportation subvention of approximately $25 million. There will be no change. No inducement has been offered to consumers to warrant their paying more to a crown agency than to the Dominion Coal Board.

The minister can be assured he will be faced again with this question on second reading. I am of the opinion he will find it more rewarding politically to answer it than to avoid it. Indeed I am surprised that the minister, who is usually informative, should decline to clarify a point of this kind. There must be a very obvious answer, because it is a very obvious question. It might be in our best interest to have the question answered tonight.

Mr. Pepin: The answer is obvious, too.

Mr. Peters: If the answer is obvious, I should like to hear it, even in the last minute before this debate concludes. I would be prepared to give the minister just two minutes in which to answer the question.

Resolution reported and concurred in.

Mr. Pepin thereupon moved for leave to introduce Bill No. C-135, to establish the Cape Breton Development Corporation.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. MacLean (Queens): May I ask the leader of the house whether he is in a position to inform us of the business for the next few days—for a week, if possible.

• (10:00 p.m.)

Mr. MacEachen: As I stated earlier, the business for tomorrow is the estimates of the Registrar General. If we complete those tomorrow we would start the second reading of the development corporation bill and continue it on Monday, or otherwise begin it on Monday. On Tuesday we will take the estimates of the Minister of Energy, Mines and Resources; on Wednesday the estimates of the Minister of National Health and Welfare; on Thursday those of the Minister of National

Defence, and on Friday those of the Minister of Labour.

Mr. Churchill: May I ask the house leader one question. Is he counting Wednesday as a full day for the consideration of estimates, because the practice last year was that Wednesday counted as only a half day?

Mr. MacEachen: I would have to check the practice, Mr. Speaker, but I had understood that Wednesday was a day.

Mr. Churchill: May I point out to the minister that on Wednesday of this week we spent only one hour and 45 minutes on estimates, and that surely is not a day. A day normally is five or five and half hours.

Mr. MacInnis (Cape Breton South): I wonder if the house leader would now make available copies of the development corporation bill to hon. members?

Mr. MacEachen: Yes, Mr. Speaker, the bill will be made available in English and French. We do not have it in Gaelic.

Mr. MacInnis (Cape Breton South): Made available when—tonight?

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

NATIONAL DISASTERS—SUGGESTED ESTABLISHMENT OF CANADIAN FUND

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in opening my remarks I think it is a bit unfortunate we have not got the television cameras here to televise the drama of parliament, as I have heard it called. Anyway, I must say that for years I have been convinced of the need for a national disaster fund. I remember when this idea came to my mind in embryo in 1929. I was in charge of building 20 miles of highway through a mountain pass in British Columbia. As the result of a spark coming from a locomotive climbing a steep grade I witnessed in four hours the destruction of sawmills, of homes, of farm property and of 200 million feet of timber. As a witness to the whole spectacle, I shall never forget thinking to myself that there should be some reasonable way, through law, to meet a disaster of this magnitude.

In recent days, Mr. Speaker, the Fernie disaster and other disasters that have threatened as a result of forest fires and are presently threatening as the result of the flooding of some of our rivers, indicate the need is increasing for some form of national disaster fund. It was only yesterday the Minister of Industry (Mr. Drury) informed us that the Emergency Measures Act is established as a result of co-operation between the federal, provincial and municipal governments and that it can be applied on the municipal level where the resources are sufficient. Where they are not sufficient at that level they can apply to the provincial government, and where they are beyond the scope of the provincial government they can apply to the federal government. There is a logical basis for the operation of that fund, as a result of co-operation between all levels of government to meet any particular situation, whether it is in peacetime or under a wartime emergency.

It is because of my interest in this question, Mr. Speaker, that for many years I have introduced a bill entitled, "An Act to provide for the establishment of the Canada Disaster Fund." As a result of studying this bill, I find I would now call it a national disaster fund, so as not to compete with a private organization that is in the field.

I introduced this bill for the following reasons. It is intended to meet the problem of deciding at what point disaster losses are beyond the capacity of a province to deal with effectively, and the disaster essentially becomes national. The bill would set up a fund to which contributions can be made in advance by federal and provincial governments and by individuals, companies and institutions. The board of trustees would determine each year in advance, in respect of each province, the provincial financial tolerance point above which losses are of national scope. Should a disaster occur in a province the board would contribute to the province out of the fund in respect of the losses above the tolerance point.

I am not suggesting, Mr. Speaker, that this bill is perfect in all respects. It was introduced to give members an opportunity to study the question and to give the government an opportunity also to consider the importance of this matter. It was because of my interest in the subject initially, and the interest which has been stimulated as a result of my experience in this house over a period of 22 years, that I introduced the bill. It was for

that reason that I asked the Prime Minister the following question:

> 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.

I am very pleased to see the minister here this evening. I shall be interested to hear of the government's intentions with regard to the establishment of the disaster fund I have mentioned.

Hon. Jean Chrétien (Member of the Administration): Mr. Speaker, I should like to point out to the hon. member that there is a law on the Canadian statute books entitled the Canadian Disaster Relief Fund Act. This act, passed in 1953, provides for almost the same thing for which the hon. member is asking. It sets up a corporation known as the Canadian Disaster Relief Fund, Incorporated, consisting of five members, each of whom represents one of the geographical divisions of the country. The first members of the corporation were named by the act, which provides that when a vacancy occurs in the membership of the corporation the Secretary of State may appoint a new member.

The corporation was established to manage and distribute the Canadian Disaster Relief Fund which consists of all money, property and securities received by the corporation for the purposes of the act and all income derived therefrom. No payment shall be made out of the fund except as authorized by the act. Section 6(3) of the act provides this:

> The corporation may make payments out of the fund for the purpose of meeting emergencies and needs arising in Canada from flood, fire, tempest, earthquake, pestilence or other disaster, mitigating loss and suffering caused thereby assisting in repairing damage resulting therefrom, and rehabilitating persons who have suffered injury or loss by reason thereof, when in the opinion of the corporation the implementing of such purpose is beyond the reasonable capacity of the area affected.

I think, Mr. Speaker, there are associations such as the Red Cross Society which do their best to help in these situations. In every case the government looks into the situation and does its best to improve the situation in respect of those who have suffered discomfort.

Mr. Herridge: These are private associations and are not under the control of the government.

[Mr. Herridge.]

HEALTH AND WELFARE—REQUEST FOR INVESTIGATION INTO ADDITION OF ANTIBIOTICS TO LIVESTOCK FEED

Mr. William Dean Howe (Hamilton South): Mr. Speaker, yesterday I asked a question actually of the Minister of Agriculture in the absence of the Minister of National Health and Welfare, simply because I could not decide who is responsible for the feeding of cattle in this country. In an article which appeared in the *Globe and Mail* of June 13 I learned that there is widespread use of large quantities of antibiotics as animal feed supplements. The danger in this regard of course is that there are remainders of small amounts of antibiotics in the meat which humans ingest every day.

In the practice of medicine we must be very careful, when we use antibiotics, that we use them in effective doses for a certain period of time until we kill the infection, rather than in small ineffective quantities, so that the bacteria do not gain the opportunity to build up resistance to the effect of the antibiotics.

• (10:10 p.m.)

I was unaware through my own ignorance, that antibiotics were used in cattle feed and that all of us were ingesting small amounts of antibiotics at all times when we ate meat. Because of the care we have to take in the practice of medicine it was a source of worry to me that possibly we are losing the effectiveness of antibiotics in that practice, because of this gradual but insidious absorption of antibiotics. I do not understand or pretend to understand the purpose of using antibiotics in cattle feeding.

There was a three day symposium held in Washington, the date of which is not given in the article, and I could not find out precisely when it was held, but according to the article Canada was one of the nations represented. It was my intention in asking the question to derive what the government's role was, what was said and what investigation is being carried out to prevent a link between the drug resistant bacteria found in man and the widespread practice of using antibiotics as a food supplement for animals whose meat we ingest.

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, there was a public symposium held in Washington on June 5 to June 7 on the use of drugs in animal feeds. Representatives of the food and drug directorate of the Department of National Health

and Welfare and representatives of the Department of Agriculture were in attendance.

It was evident from the proceedings of the symposium, which was attended by officers of our departments, that antibiotics added to animal feeds can result in the emergence of antibiotic resistant strains of micro-organisms. The possible impact on human health of such micro-organisms in animals is not at all clear. The Department of National Health and Welfare is continuing to keep this problem under close surveillance.

[*Translation*]

NORTHERN AFFAIRS—FROBISHER BAY—INQUIRY AS TO HOUSING PROGRAM

Mr. Fernand-E. Leblanc (Laurier): Mr. Speaker, yesterday I asked the following question to the Minister of Indian Affairs and Northern Development:

Does the department intend to carry on the intensive development program at Frobisher Bay by building this year new houses for Eskimos and government personnel?

If the Chair had not felt that the question was out of order, I would have asked the following supplementary question: Can the minister tell the house about the 1967-68 program concerning the number of units which will be built as well as their total value?

During my trips to that locality, I had the opportunity to realize the economic importance of Frobisher Bay and to consider also the sanitary needs and others for which it is urgent to make provision.

Frobisher Bay has a population of approximately 1,600 inhabitants, 1,000 of whom are Eskimos. It is the largest centre in the eastern Arctic both by its size and its large Eskimo population. It has the only international airport in the far north, and one is pleased to find that Nordair company serves this area effectively on a regular basis. It is the headquarters of a great number of government officials and other private enterprise employees who often live under deplorable conditions. Frobisher Bay is a regional centre whose administrative role is comparable to and even more important than that of centres like Churchill, Inuvik and Yellowknife. Capital investments there exceed $25 million.

Apart from the federal building which was constructed on a permanent basis, the other buildings, houses, schools, are temporary and as you all know, temporary services and quarters which are not up to Canadian standards reduce the efficiency of the workers and weaken their morale. It is absolutely necessary to replace all these temporary buildings with permanent and modern constructions.

The government's construction program has been set for a five year period. In 1967, it was projected to build 30 houses for government employees and 20 for the Eskimos. This program was carried out and I want to congratulate the government for that. This does not mean, however, that all the needs have been met. Nevertheless, this was a promising start which now seems endangered for 1967-68.

This was the program for the 1967-68 period: Construction of 70 houses for government employees; construction of 100 houses for the Eskimos; construction of adjacent roads; planning for the construction of office and store buildings; preparation of plans for living quarters of 100 bachelors; preparation of plans for building a technical school.

I hardly think it is necessary to list the projects for the years to come, but I do hope that they will not be abandoned, so that the economic development of this area may be pursued satisfactorily.

However, I note that vote No. 25 of the Department of Indian Affairs and Northern Development in the estimates for 1967-68 provides no money for part of the 1967-68 program, particularly for the following items, according to the replies given by the minister to the member for the Northwest Territories (Mr. Orange) at the beginning of June: No money to continue the program to build 70 houses for government employees; no money to prepare plans for the construction of office and store buildings; no money for the preparation of plans to build living quarters for 100 bachelors.

Due to the fact that Frobisher Bay has no basic resources and is entirely dependent on the government for its existence, this attitude by the department is causing a feeling of frustration and instability among the population and, consequently, is reducing its productivity and legitimate aspirations.

I hope that the government will not only continue the program submitted to and accepted by Treasury Board but that it will step it up and improve it.

• (10:20 p.m.)

Hon. Jean Chrétien (Member of the Administration): Mr. Speaker, may I say to the hon. member for Laurier (Mr. Leblanc) that it is most refreshing, on a day such as this when the heat is intense, to hear about the Canadian northland.

The hon. Minister of Indian Affairs and Northern Development is away at the present time. Indeed, he is up north attending to his business with the diligence and determination for which he is known. As he is not here to answer that question, I shall be glad to convey to him the representations of the hon. member for Laurier.

It is also most interesting to see a member from an urban centre like Montreal show concern for the people living up north. The Canadians of the province of Quebec thus show that they take an interest in all Canadian problems, including those having to do with northern development, and I wish to congratulate the hon. member for that initiative.

[*English*]

Motion agreed to and the house adjourned at 10.20 p.m.

HOUSE OF COMMONS

Friday, June 16, 1967

The house met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CANADIAN VICTORIA CROSS HOLDERS

Mr. Speaker: Order, please. May I be permitted to bring to the attention of hon. members the presence in the Speaker's gallery of a very distinguished and gallant group of Canadians, the holders of the Victoria Cross.

Some hon. Members: Hear, hear.

Mr. Speaker: The distinguished group will be joined later by our Sergeant-at-Arms.

Some hon. Members: Hear, hear.

• (11:10 a.m.)

EXTERNAL AID

MIDDLE EAST—ANNOUNCEMENT OF FOOD RELIEF AND GRANT TO RED CROSS

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to announce that Canada is sending—indeed, the movement has already begun—approximately $2.5 million worth of food relief to the Middle East. Of this $1 million worth of wheat flour will be sent for distribution to Palestine refugees through the United Nations relief and works agency. The remainder will go through the world food program to the Arab countries of Syria, Jordan, Lebanon and the Yemen to meet food shortages there.

As an immediate emergency measure the government has also matched an initial grant of $20,000 from the Canadian Red Cross Society to the international committee of the Red Cross for medical supplies to help meet urgent needs arising from the recent conflict.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, what the Prime Minister has said will meet with general support. However, in addition to the sums to which he has referred and assistance by way of food supplies and the like, there is one paramount question which I should like the right hon. gentleman to consider, namely the terrible possibility that thousands of Arab troops in the Sinai desert apparently face an awful death because of lack of water.

I hope action will be taken with some urgency in this regard. The United Nations has been meeting in a rather desultory way. Nothing has been done by the United Nations to meet this problem, one which cannot be postponed. This is a matter of life and death; and whatever may be the views of people as a whole toward the Arab position if ever there was a case demanding action it is the frightful situation which has developed in Sinai. I hope Canada will give a lead. Apparently the nations of the United Nations are devoting themselves to other matters, but unless we take action immediately to provide some hope of survival for those, whatever their numbers may be, wandering aimlessly over the desert, a sorry situation will be created. This will lead in years to come to resentment which will fester with the passage of time.

We have aircraft in the Middle East. Cannot they be used to convey assistance? Cannot something be done to rouse the United Nations to action now? Delay can only result in disaster and that frustration which comes to hopeless men.

Mr. Pearson: On a question of privilege, may I just say that this matter was raised yesterday by the hon. member for Calgary North and I had intended to deal with it on orders of the day.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I am sure the people of Canada will support the expenditure which the Prime Minister has suggested for aid to refugees in the Middle East. The $2½ million the Prime Minister has mentioned is a relatively small amount but it is a beginning, and I am sure, if on further investigation the government finds that more food and larger sums of money are required to help the refugees of this unhappy war, it will have the full support of the members of the house and of the country generally.

I would also like to associate myself with the plea which has just been made by the right hon. Leader of the Opposition with respect to the plight of the Arab refugees in the Sinai desert. Canada demonstrated when we were taking the Canadian forces in UNEF out of that area that we are capable of putting on a very efficient and effective airlift. I think the Canadian government might do well to

offer the services of our air force and whatever helicopters can be moved to that area to take these people out of the Sinai desert just as quickly as possible. I know such a program, if the government were to undertake it, would have the wholehearted support of the Canadian people.

Whatever one may think about the reasons for the outbreak of hostilities, all of us want to see that human beings are protected against an agonizing death, also having in mind that any humanitarian actions we can take at this time will help allay some of the present bitterness and, we hope, might lay a foundation for better understanding in the future.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we all realize that there has been increasing concern right across this country with respect to the plight of those who are facing starvation and death in the Middle East. We in this group would like to associate ourselves with the expressions of commendation on the fact that the government has seen fit to take immediate action to provide the sum of $2½ million to assist in meeting this problem.

As has been pointed out, possibly this will just be a beginning, but I am sure any further contribution that is required will be recognized as worth while. However, I would like to ask whether there has been a concerted plan on the part of European and North American countries to join in this particular program. I think the program should be shared in by all, and not by just a few who perhaps are more than willing to step in and meet their responsibilities.

TRANSPORT AND COMMUNICATIONS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. J. A. Byrne (for Mr. Macaluso): Mr. Speaker, in the absence of the chairman of the standing committee on transport and communications, the hon. member for Hamilton West I have been asked to move:

That the first report of the standing committee on transport and communications, presented to the house on Tuesday, June 13, 1967, be concurred in.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Mr. Grégoire: On division.

Motion agreed to on division.

[Mr. Douglas.]

HEALTH AND WELFARE

PROVISION FOR TERMINATION OF PREGNANCY BY MEDICAL PRACTITIONERS

Mr. H. W. Herridge (Kootenay West) moved for leave to introduce Bill No. C-136, concerning the termination of pregnancy by registered medical practitioners.

Some hon. Members: Explain.

Mr. Herridge: Mr. Speaker, the question of the termination of pregnancy has been the object of extensive study in the last few years, and also of legislation in several countries. Recently a bill has been introduced in the United Kingdom to amend and clarify the law relating to termination of pregnancy by registered medical practitioners. The present bill is inspired by its British counterpart and is for the purpose of allowing medical termination of pregnancy in certain cases under the surveillance of medical and governmental authorities.

I have consulted with interested persons and groups and with eminent counsel in the drafting of this bill, and while its principle is the same as other bills that have been introduced on this subject it includes some modifications of the United Kingdom bill related to Canadian circumstances. I am sure all hon. members will look forward to studying the details of the bill.

Motion agreed to and bill read the first time.

• (11:20 a.m.)

UNITED NATIONS

MIDDLE EAST—CANADIAN REPRESENTATION AT GENERAL ASSEMBLY MEETING

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, it now appears certain that the United Nations general assembly will be convened. Therefore I should like to ask the Prime Minister, in view of the attendance at the assembly of Premier Kosygin and the probable attendance of General de Gaulle, whether he will be representing Canada at that meeting.

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, as yet no decision has been taken with regard to that matter. The only head of government who has indicated his intention to attend the special assembly is Mr. Kosygin. I will not be making a decision as to whether it is desirable for me to take the place of our ambassador in New York until we have more information from other governments concerning their intentions.

Mr. T. C. Douglas (Burnaby-Coquitlam): I have a supplementary question, Mr. Speaker. In view of the fact that the meeting of the general assembly would appear to be an attempt to force Israel to withdraw its troops without any guarantees concerning its future security and existence; and in view of the fact that the Prime Minister himself from time to time has said that it would be advisable to have the four permanent members of the security council meet at the highest possible level, does the Prime Minister not feel that his presence as the head of the Canadian delegation would lend weight to any statement made by that delegation, and would also bring to the discussion his very wide experience in the field of Middle Eastern affairs?

Mr. Pearson: Mr. Speaker, I certainly will not hesitate to go to New York if I feel my presence can be helpful there. I will be making up my mind on this matter over the week end. We are in consultation with many friendly governments as to how best we can proceed in the assembly.

Mr. Douglas: May I ask a further supplementary question. In view of the fact that this meeting of the general assembly of the United Nations will be extremely important, can we get some idea from the Prime Minister as to what position Canada will take on the proposed resolution by the Soviet union, and an assurance from the Prime Minister that Canada will insist that any withdrawal of Israel forces must be contingent upon guarantees to Israel of its recognition by the Arab states, the sanctity of its borders and access to the sea?

Mr. Pearson: I think perhaps, Mr. Speaker, any statement to be made in the house should be reserved until we see the nature of the resolution or resolutions that will be introduced. I assume that may be done tomorrow, when there is to be a formal session, or more likely on Monday. When we know what the resolutions are then perhaps that would be the time to make a statement in the house with regard to our position regarding them. At this moment, however, I do not mind repeating what I have already said, that any request for withdrawal of Israeli forces from the territory they have occupied certainly should be accompanied by effective international guarantees for the security of Israel.

Mr. D. V. Pugh (Okanagan Boundary): My supplementary question refers to the attendance of the Prime Minister at the United Nations. He mentioned that he was making a decision and that it would be based on what other nations were doing. May I ask the Prime Minister if there will be a staying away or a going of the leaders of nations in a group, as they may decide?

Mr. Pearson: What I had in mind when I spoke of consultation was the consultations that are going on with regard to the possibility of meetings behind the scenes at the United Nations as well as participating in the actual work of the assembly. Even if the Canadian delegate, the ambassador, the Secretary of State for External Affairs or myself were not down to speak on this matter until Wednesday or Thursday, it might be desirable to go there earlier than that because of the possibility of consultation.

INQUIRY AS TO REQUEST FOR PERSONNEL FOR TRUCE SUPERVISORY ORGANIZATION

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the Prime Minister and ask whether the secretary general of the United Nations has requested personnel and equipment to strengthen the United Nations truce supervisory organization. If so, what has been Canada's response to the request?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there has been no request made by the secretary general to Canada or, as far as I know, to any other government at this time for officers to strengthen the truce supervisory organization. I recall seeing a telegram from the commander of that organization to the effect that he had sufficient officers to man the truce supervisory posts that are in action at the present time, so presumably he has enough personnel for his present duties. As far as I know there has been no request for additional personnel.

Mr. Olson: A supplementary question, Mr. Speaker. I wonder whether the Prime Minister could advise the house whether the truce supervisory organization is active along all the frontiers between Israel and her Arab neighbours.

Mr. Pearson: Mr. Speaker, I think—and I speak subject to correction—that it is active along those frontiers on which it was operating before the recent conflict, that is along the borders of Jordan, Syria and Lebanon.

Inquiries of the Ministry

VIET NAM—INQUIRY AS TO CONSIDERATION AT GENERAL ASSEMBLY MEETING

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Prime Minister. Does the Prime Minister know whether the question of the war in Viet Nam will be discussed at the forthcoming session of the general assembly of the United Nations, either on the floor or behind the scenes? If so, what position will the government take?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not know what will be discussed behind the scenes. Practically everything is discussed behind the scenes at the United Nations. As far as I understand, it is certainly not on the agenda of the special assembly, which is called for a particular reason not having to do with Viet Nam. Therefore I am not able to answer the latter part of the question.

EXTERNAL AFFAIRS

ASSISTANCE FOR EGYPTIAN SOLDIERS DYING OF THIRST IN DESERT

On the orders of the day:

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, while I am on my feet I should like to reply to the question raised yesterday by the hon. member for Calgary North and again today regarding the disastrous situation in respect of certain Egyptians in the Sinai desert. When this matter was first brought to our attention we got in touch with the Israeli government. After all, the Israeli army is in occupation of this territory and these particular people we are concerned with are members of the armed forces of the United Arab Republic.

We asked the Israeli government for information concerning what is being done and indicated our desire to help in any appropriate way to meet this and related problems on other parts of the border. This morning I have received information that the Israeli authorities are taking all possible steps to avert human suffering. To this end, during the past few days they have been sending air search units to locate the distressed persons in the Sinai. They were parachuting water and food to them wherever possible, and aiding their movement westward toward the Suez canal.

One of the difficulties in connection with helping these people has been that the water pipe lines under the Suez canal had been cut off. It is open again by action taken by the U.A.R. government and the international Red Cross, but for a time there was no fresh water getting across the Suez canal by these pipes.

Mr. Diefenbaker: For how long was that?

Mr. Pearson: Just for a few days I think, Mr. Speaker. The Israeli authorities, as I said, were parachuting water and food to them wherever possible. Medical assistance has already been given in co-operation with the Red Cross. We have also communicated with the international committee of the Red Cross in Geneva to ascertain what they are doing with regard to this problem.

In so far as the refugees on the west bank of the Jordan are concerned, the Israeli government reaffirmed what our ambassador told us the day before, that the Israeli government had signed an agreement with UNRWA to co-operate with that agency in looking after the refugees along the Jordan river. Therefore, Mr. Speaker, I think we can get some reassurance from this information that the government in occupation of these territories is doing whatever it can to meet this terrible human problem. Certainly we will be glad to assist in any way we can.

Hon. D. S. Harkness (Calgary North): I wonder if the Prime Minister has any information as to whether the refugees in the Gaza strip and those west of the Jordan have sufficient supplies of food and drugs to keep them going while awaiting the assistance that we and other countries are going to give to them.

Mr. Pearson: Yes, Mr. Speaker. A good many telegrams have come in overnight on this very point and other related refugee questions. From a first examination of these messages it seems the refugees in the Gaza strip are being looked after at the present time. There is no danger of a further breakdown in the distribution of food and supplies. There is enough there under the UNRWA machinery to take care of them until additional supplies arrive.

Mr. A. B. Patterson (Fraser Valley): I think we all realize that Canada has been ready and willing to accept responsibility in various emergencies, but I should like to ask the Prime Minister now if any plan has been developed whereby the European and North American countries will co-operate in meeting the need which has been brought to our attention this morning.

Mr. Pearson: Plans are being worked out for co-operation in this very important matter and all its aspects, including the question of refugees. It will take some time for these plans to be worked out even in respect of the immediate emergency. Telegrams I read this morning show that it is not yet quite clear what the emergency is in terms of first requirements.

I quite agree with my hon. friend that this is not a matter for any one country. It is a matter for all countries concerned, especially some of the big powers, if I may say so, who have so actively supported the United Arab Republic and the Arab states in this matter and should be perhaps even more interested than other countries in the plight of the U.A.R. forces in the Sinai desert.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the Prime Minister the other day stated in general that Canada's position is that it would be prepared to accept some Arab refugees. He said a study was being made of the subject, as I recall it. I now ask the Prime Minister how many thousand refugees Canada is prepared to accept.

Mr. Pearson: Mr. Speaker, it is quite impossible to answer that question at the present time.

LABOUR CONDITIONS

REQUEST FOR STATEMENT ON INCREASE IN UNEMPLOYMENT

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question for the Minister of Labour. Having in mind the fact that while there has been some increase in employment in Canada, at the present time there is an abnormally high unemployment rate, 57,000 above this time last year, can the minister say whether he expects this situation to improve, and are any steps being taken to that end?

Hon. J. R. Nicholson (Minister of Labour): Yes, Mr. Speaker, I am hopeful that there will be some improvement. Two significant factors enter into the picture. One is the abnormal number of young people between the ages of 14 and 18 who have entered the labour force during the period in question, and the other is the sudden termination of the construction work at Expo in Montreal. A program of work in Montreal is already well advanced, and I hope it will go a long way toward correcting the situation in that area. In addition other steps are under study.

Mr. Thomas M. Bell (Saint John-Albert): A supplementary question, Mr. Speaker. Has the minister any hope for the maritimes, where the figures are very serious?

[*Later:*]

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Labour arising from the answer he just gave, but first perhaps Your Honour will allow me to make the observation that I do not think the Minister of National Defence scared the child in the gallery we just heard crying.

My question to the Minister of Labour is, are the Department of Labour, the department of manpower or the unemployment insurance offices registering 14-year olds as unemployed in this country?

Mr. Nicholson: Mr. Speaker, the unemployment insurance authorities and the National Employment Service are simply complying with the law.

Mr. MacInnis (Cape Breton South): Child labour.

[*Later:*]

Mr. MacInnis (Cape Breton South): Mr. Speaker, I have a further question for the Minister of Labour arising out of his previous answer. I should like to ask him what law under the Unemployment Insurance Act requires 14-year olds to be registered.

Mr. Speaker: Order. The hon. member knows he may not ask questions concerning the interpretation of statutes.

Mr. MacInnis (Cape Breton South): Mr. Speaker, you ruled that I am not allowed to ask questions relating to the interpretation of a statute. My question was whether there is a statute on the books which would require 14-year olds to be registered.

Mr. Speaker: That is also out of order.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the minister having gratuitously made the statement, he should certainly be able to answer a very simple question. Are 14-year olds now being registered in connection with unemployment insurance?

Mr. Nicholson: Not to my knowledge, Mr. Speaker.

Mr. MacInnis (Cape Breton South): On a point of order, Mr. Speaker, which arises out of the answer just given to the Leader of the

Inquiries of the Ministry

Opposition by the Minister of Labour in which he said that to his knowledge 14-year olds were not registered, may I point out that in his previous answer he stated that 14-year olds were being registered.

Mr. Speaker: I suppose it is human to err. The minister has given a reply to the question asked by the right hon. Leader of the Opposition, and if there is a discrepancy between that and his previous reply I suggest there is nothing the Chair can do about the situation.

EXPO '67

POSSIBLE DANGER TO PUBLIC FOLLOWING EXPLOSION ON SITE

On the orders of the day:

Mr. Gérard Loiselle (St. Ann): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. We all know about the explosion yesterday at the Expo site in which one man was hurt. Can the minister inform the house and the public in general whether there is any danger to the millions of people who will visit the Expo site in the future?

Hon. Robert Winters (Minister of Trade and Commerce): No, I do not think so, Mr. Speaker. The fireworks were set off within an area which was sufficiently protected so there was no danger to the general public. Every precaution will be taken to see that there will continue to be no danger to the public in the future.

FISHERIES

INQUIRY AS TO ESTABLISHMENT OF FRESH WATER FISH MARKETING BOARD

On the orders of the day:

Mr. Eric Stefanson (Selkirk): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Does the minister plan on introducing legislation at this session of parliament based on the recommendation of the McIvor commission that a fresh water fish marketing board be established?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, that matter is still under study with the provincial governments and other interested organizations. I cannot give any guarantee that legislation will be introduced at this session.

[Mr. MacInnis (Cape Breton South).]

NATIONAL DEFENCE

REQUEST FOR CLARIFICATION OF ROLE OF UNIFIED FORCE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of National Defence. It is in reference to a question I asked three weeks ago, on May 25, which has remained unanswered, dealing with the role of our unified forces. The question I put then to the associate minister, but I thought in the interval the minister would bring forth an answer, was as follows:

> 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?

I follow that with this question. Now that the minister has a better appreciation of the realities of modern warfare, is he going to revise this unrealistic policy for Canada's unified mobile force?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, on the basis of any experience we have gained in the last few weeks we are convinced that the organization we are developing is the one that will be best suited to the needs of our country, and probably other countries as well, in the years ahead; and that the force we are developing will be available for any tasks which are assigned to it by the government of Canada in the interests of the Canadian people.

Some hon. Members: Hear, hear.

Mr. Churchill: As a supplementary question, Mr. Speaker, instead of generalities could we have a particular incident dealt with? How does the minister consider that the unified force would "put out, contain or control an incident which might escalate into something more serious"? Does that mean the Canadian armed forces would be fighting against both sides?

Mr. Speaker: Order, please. I would think we are reviving a policy debate at this time, and I doubt whether the supplementary question posed by the hon. member for Winnipeg South Centre is in order.

Mr. Churchill: On a point of order, Mr. Speaker, it is not reviving a policy debate. This statement was made by the minister on April 3, and it was an expansion of his earlier

statements on policy. It is very important, particularly when we are looking to the future as to what shall be done to maintain peace in the world. I want to know what the policy is.

Mr. Speaker: I doubt that the question is the type that requires an answer today. If the hon. member feels it is important and of some urgency, the question might be placed on the order paper.

Mr. Churchill: Mr. Speaker, it has been on *Hansard* for three weeks.

Mr. Pearson: Put it on the order paper.

VETERANS AFFAIRS

INQUIRY AS TO FINAL PENSION INCREASES

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that this has been designated as veterans week and that only an interim increase in veterans pensions was put into effect something over a year ago, this would seem a particularly appropriate time to announce what the final or complete increase will be. I wonder whether the Prime Minister is in a position to do that at the present time.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it is certainly an appropriate time to raise the matter, but I am afraid it is not a time when I could possibly give an answer. I will give an answer as soon as I can.

[*Later:*]

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, my question is supplementary to the one posed by the hon. member for Calgary North and is directed to the Prime Minister. Can he tell the house whether he has heard the rumour that the legislation on veterans pension rates will be implemented before the end of the year?

Mr. Speaker: The question may be supplementary but it is out of order.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have a supplementary question. Could the Prime Minister inform the house whether the cabinet is giving consideration at this time to an increase in the disability pensions and war veterans' allowance?

Mr. Pearson: Mr. Speaker, as my hon. friend knows, I think, this matter has been under consideration.

Inquiries of the Ministry

TRADE

INQUIRY AS TO FINAL DISPOSITION OF GENEVA AGREEMENTS

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. In view of the fact that the present round of GATT negotiations at Geneva is being concluded and there is considerable concern about the terms of the agreements, may I ask the minister whether these negotiations will be continued if some of the signatories to the agreements find that the terms work undue hardship or will there be a lapse of time over a period of years before a new agreement can be contemplated?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I would imagine that when the agreements are signed on June 30 or thereabouts they will be regarded as definitive. However, it is always open to any government to take action within the framework of the provisions of GATT if it feels that unnecessary hardship is being caused.

[*Translation*]

AGRICULTURE

DAIRY POLICY—FURTHER DISCUSSIONS WITH FARM ORGANIZATIONS

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, my question is directed to the hon. Minister of Agriculture.

As a result of the farmers' march last month, it was decided to hold a day of study, presumably tomorrow. Can the minister tell us whether, on that day, discussions will bear only on the dairy policy or on the overall agricultural problem? Can the minister also tell us whether he intends to announce a new policy to the farm associations?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, we are meeting the representatives of the farm associations this afternoon to discuss the dairy policy and also I think, the general farm policy.

[*English*]

TRANSPORTATION

CONFERENCE ON PROPOSED BRANCH LINE ABANDONMENT APPLICATIONS

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 right hon. Prime Minister. It has to do with the fact that the Board of Transport Commissioners is convening, here in Ottawa on August 1, a conference of all the parties interested in the abandonment of railway branch lines. I wonder whether the government has received any representations from those who may want to make recommendations, particularly farm organizations, as to the wisdom of holding the conference in the prairies and particularly in Saskatchewan where the greater number of affected lines are to be found. Can the Prime Minister tell us whether the government is giving favourable consideration to this reasonable request?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will have to look into that question and discuss it with the minister who, as my hon. friend may or may not know, has been indisposed this week.

INDUSTRY

SYDNEY, N.S.—REQUEST FOR ASSISTANCE FOR STEEL INDUSTRY

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the Minister of Industry. May I ask the hon. gentleman whether he is in a position today to announce any decision reached by himself or the government on the request made by the delegation which came from Sydney two days ago concerning the possibility of stockpiling steel in an arrangement with Dosco which would probably eliminate the expected lay-offs on June 18. I realize there has not been much time, but I wonder whether the minister has anything to report on this matter.

Hon. C. M. Drury (Minister of Industry): No, Mr. Speaker; as the hon. member has pointed out there has not been sufficient time to consider this question, but we are working on it.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

DEPARTMENT OF THE REGISTRAR GENERAL

1. Departmental administration, $625,100.

The Chairman: This vote will be found on page 456 of the blue book, and the details are listed on page 457.

[Mr. Douglas.]

Hon. John N. Turner (Registrar General): Mr. Chairman, in undertaking my new responsibilities as Registrar General I want to say to the house at the outset that I am vitally aware of the importance of the task given me, and since this is the first opportunity I have had to speak in this capacity I want to thank all hon. members who have sent me letters or who gave me words of encouragement. I undertake to do my best in this new job.

Last year the former president of the Privy Council explained the rationale of the department in the reorganization bill which set it up. At this stage I should like to say that I had the opportunity of being acting minister in this department for some time during the time of Mr. Favreau's illness. In all my dealings with him, not only serving under him but as a member of this house, I found him to be a Christian gentleman, always a conscientious member of the house and a conscientious minister. I am sure every hon. member here shares my regret that he was constrained to seek relief from the heavy responsibilities which he had here as a minister and as a member of parliament, and wishes him, as I do, health and happiness on the bench of the superior court of the province of Quebec.

This department is designed to bring together several agencies which have a role in defining, shaping and directing public policy in the economic field. On the one hand we have the task of ensuring that our market system is competitive, alive and vital and that public interest is protected in matters relating to combines, mergers, monopolies, restricted trade practices, bankruptcies, patents, copyrights, trademarks, corporations and the securities field.

• (11:50 a.m.)

On the other hand we are just beginning to formulate the kind of role that within its constitutional jurisdiction the federal government can play in aiding and assisting the consumer to gain the maximum benefit and enjoyment under our economic system. There have been a number of federal agencies working in this field already Mr. Chairman, and our purpose will be to strengthen and co-ordinate their activities and to add whatever new programs are necessary to give the consumer full and equitable participation in the market. In this fashion we link together the federal government's concern to see that both the supply and the demand sides of the market are healthy and in balance.

So, Mr. Chairman, I see a considerable role for this department. I feel it can help this country in responding to the many significant changes taking place in our economic life, and can contribute to the essential tasks of defining and refining the important relationships among business, the consumer, the investor and the government.

I think I should draw to the attention of hon. member the fact that certain key responsibilities of the department, or the subject matters lying within its jurisdiction, were referred last year, on July 22, to the Economic Council of Canada. The Economic Council was charged with studying certain important aspects of the responsibilities of the Registrar General. I think it would be useful if I read the terms of reference:

> In the light of the government's long term economic objectives, to study and advice regarding:
>
> (a) the interests of the consumer particularly as they relate to the functions of the Department of the Registrar General;
>
> (b) combines, mergers, monopolies and restraint of trade;
>
> (c) patents, trade marks, copyrights and registered industrial designs.

That means, Mr. Chairman, that the consumer interest, the area of combines and mergers and the area of patents and copyrights have been referred for depth study by the Economic Council of Canada. It means that this department in bringing forth its policy must have due regard to the reference made to the Economic Council of Canada, and hopefully await the report of the Economic Council on several of these areas.

In the consumer field, in relation to a consumer division in the new department I am hopeful that the Economic Council will report very shortly. I would think the next priority would be in the combines area and then finally in the area of patents, trademarks and copyrights.

This is the first time that a department which was originally concerned with the legal aspects of government and government regulation has been linked to a vehicle of economic policy. So that we are combining for the first time, I would think, Mr. Chairman, the economic and legal tools for the furtherance of a department of economic policy.

Needless to say, in the department a considerable structure will have to be reoriented and built. In the consumer area, for instance, there are several agencies and various departments spread over the government service. In the Department of the Registrar General there has to be co-ordination, and personnel have to be recruited. The same feature, of course, applies in establishing a federal presence in the regulation of securities. We will also need to strengthen the bankruptcy forces, the combines forces and the corporate law forces of the department if we are to discharge the responsibilities which I am sure parliament and the Canadian people will rightfully impose upon us.

So one of my principal functions in the early stages, Mr. Chairman, is to analyse the structure from the basis of the best budgeting and program analysis possible in relation to the cost and benefits of the program that we hope to inaugurate and implement; and we will from time to time be seeking both internal and outside advice on these subjects.

I think it is important at the outset for members to recognize that the jurisdiction over many of the areas for which the Department of the Registrar General has authority is a shared jurisdiction with the provinces. This is particularly so in the corporate and securities field as well as in the consumer field. So that anything parliament and the government are able to achieve in these areas must be done in close co-operation with the provinces, and I undertake to achieve as best I can both full consultation and close co-operation with the ten provinces of this country.

I should now like to review some of the principal areas falling within my responsibility and for which I am rendering an account to this house. The first matter relates to bankruptcy. Members who have compared this year's fiscal estimates to last year's will notice that the increase in the estimates is due largely to an increase in staff from 27 to 72 positions in the bankruptcies branch as well as an increase from 81 to 102 positions in the combines branch. A close scrutiny of the estimates will reveal that virtually the entire increase in cost will be found to be the result of the increase in personnel and expertise in those two areas. Those increases, of course, reflect public interest and demand as they impose themselves upon the responsibilities that I have been given.

[*Translation*]

Bankruptcies have aroused much interest recently on account especially of the publicity that was given to some serious and most reprehensible abuses of the bankruptcy process which were uncovered in recent years. It must be agreed that these abuses are most serious and extremely reprehensible.

It is most important that we continue our policy of improvement in this field in order

that the confidence of our fellow Canadians in our system of free enterprise be not jeopardized. Furthermore, it is essential that the institution of bankruptcy itself be completely rehabilitated from the state of disrepute in which it has fallen in recent years, so that it may fulfil adequately the essential role for which it is designed in our modern society.

We intend not only to continue our policy, but accelerate the process of implementation of the measures which are necessary to achieve these goals.

The bankruptcy regional offices in Montreal, Toronto and Vancouver, the setting up of which had been announced at the time of the enactment of the amendments to the Bankruptcy Act in July 1966 have now been in operation for more than two months. The opening of these offices which are staffed with expert auditors and investigators, I am convinced, will be quickly recognized as one of the most progressive measures taken in a long time in the field of bankruptcies and will constitute our most effective weapon against abuses which have been uncovered in that field in recent years.

Although these offices have been in operation for a relatively short period of time, they already have, in many respects, proven their usefulness. With these regional offices in operation, we are in a position to intensify the much needed enforcement of the Bankruptcy Act with regard to offences of an administrative character. These offences, as announced by Hon. Lucien Cardin during the debate on motion for second reading of Bill No. S-17 to amend the Bankruptcy Act, are now prosecuted whenever necessary by the federal Department of Justice. We feel that it is most important that these offences be prosecuted vigorously if we want to stimulate in this field a sense of honesty and integrity which, in the past, has too often been lacking, not only on the part of some trustees but also on the part of some debtors and creditors alike. It is essential, by reason of the far-reaching effects of bankruptcy on debtors, creditors and society as a whole, that the integrity of the procedure be respected. We are prepared to take every step that may be necessary, not only to protect that institution, but also to ensure that it has the respect of all.

Some hon. Members: Hear, hear.

Mr. Turner: Hon. members are aware, of course, that the federal government occupies only a portion of the larger field of criminal law enforcement when we are dealing with bankruptcies. In the last few years, we have intensified our ties with the provincial authorities. Each level of government is now very much aware of the nature and extent of its responsibility and the improved lines of communication and co-operation that have been, and are still in the process of being developed will bring about, I hope, a much better enforcement of the law in this field. Let us hope that this aggressive approach will serve as a good deterrent on those individuals who are too prone to use the bankruptcy legislation for their own selfish and illegal purposes.

Before leaving this subject, however, I should like to emphasize that the role of bankruptcy regional offices is essential in this field. Its expert auditors and investigators have already proved their usefulness and particularly have had the opportunity to help certain provincial and municipal authorities which are often faced with most complex and difficult problems.

• (12 noon)

With respect to our bankruptcy legislation itself, I might mention that there are many indications that the amendments of July 1966 to the Bankruptcy Act have already contributed a great deal to correct the abuses that they were designed to remedy. I am not thinking only of the increased powers of investigation of the Superintendent of Bankruptcy but other provisions as well, such as those concerning reviewable transactions, proposals, etc. It must be appreciated, however, that the enforcement of the Bankruptcy Act and the amendments of 1966, however effective and useful they might be, are not, by any means, the complete answer to all of the problems that we are facing in the field of bankruptcy nowadays.

So many developments have taken place in the field of consumer credit, financing, debt collection, commerce and business since 1949 that our present legislation needs to be completely re-appraised and re-assessed in the light of present day conditions. Our approach to bankruptcy problems must be rejuvenated and new solutions must be devised.

As an example of this, I might mention the problem of the wage-earners' or consumers' bankruptcies which, with the ever-increasing rate of consumer credit, is becoming more and more pressing. We have to ask ourselves whether the solutions that have been devised, many decades ago, for the businessmen and the traders are adequate in the case of consumers and wage-earners of present days. We

also have to ask ourselves whether our present legislation keeps a proper balance between the opposite interests of debtors and creditors in our changing business and commercial world.

The 1966 amendments dealt with this problem of the wage-earners' or consumers' bankruptcies by providing for an orderly payment of debt. Those provisions have been in force in Alberta since April 17 of this year and, in Manitoba, since June 1. I am not sure, on the other hand, that it might not be possible to find yet a better solution than that contained in the 1966 amendments to the problems of bankruptcies by wage-earners or consumers.

At all events, the report of the three men committee set up to assist the department in its revision of our bankruptcy and insolvency legislation will be, I am sure, most valuable in our study of those problems. We have not asked the committee to study and recommend measures aimed only at mere patching up our legislation. Nor have we asked the committee only to clear up the ambiguities, to recommend a new arrangement of the provisions of the act or to include some partial solutions liable to remedy the most pressing problems, as was done in 1949 at the time of the last revision of our Bankruptcy Act. On the other hand, we asked the committee to make a thorough examination of the legislation, to consider the very assumptions and the underlying principles on which it is based, in the light of present day conditions and practices. We also asked the committee to review all the various machineries and procedures provided by our legislation and to report on any changes it considers necessary concerning our legislation and its administration. This applies not only to the Bankruptcy Act but also to the federal Winding-up Act, the Companies' Creditors Arrangements Act and the Farmers' Creditors Arrangements Act.

I am following very closely the work of the committee and I am in a position to say that it has been most active since its very inception in February 1966. It has already drafted a good portion of the new Bankruptcy Act which the committee will eventually recommend to the government.

However, it must be recognized that effective bankruptcy legislation and a healthy and vigorous administration is not a cure-all solution to the various and complex problems that insolvency may bring about in our modern society. These various measures of which I have just spoken, Mr. Chairman, must be coupled with other legislation that can afford a degree of protection that is outside the scope of an ordinary bankruptcy legislation.

The Canada Deposit Insurance Corporation Act would fall into this category, as would all these other measures that are primarily designed for the protection of the investors.

[*English*]

To summarize the present state of the policy on bankruptcy, important amendments to the Bankruptcy Act were enacted on July 11, 1966. The work of the advisory committee on bankruptcy also is progressing satisfactorily, though a draft bill completely revising the federal legislation in the field of insolvency and bankruptcy will not be ready for some time—probably not before early in 1968.

We have set up regional offices of the bankruptcy branch. They have been set up, since March, 1967, in Montreal, Toronto and Vancouver and are staffed by bankruptcy investigators and accountants. The role of these offices is to implement the work of the bankruptcy branch with a systematic audit program of trustees, and to investigate alleged cases of irregularities connected with bankruptcies, whether those have taken place before or after the bankruptcy.

The Royal Canadian Mounted Police is cooperating closely with the bankruptcy branch and the regional offices in cases where fraud and other offences of a criminal nature are involved. This summer, between July 9 and 22, we have organized seminars for bankruptcy branch officers at Carleton Place.

We have continued our careful review of trustees' operations, and the licences of more than 60 trustees have either not been renewed or have been restricted to the administration of the estates in their hands.

The bankruptcy branch has circulated bulletins to assist trustees in upgrading their performance. No new trustees have been appointed since April, 1965. An interim policy for the licensing of trustees will be adopted very shortly.

• (12:10 p.m.)

I should like to pass now to the corporations field where we are studying a general overhaul of the Canada Corporations Act. The purpose of the amendments we wish to incorporate in the act is to bring the federal act into line with the new Ontario legislation as it relates to insider trading, proxy solicitation and so on—amendments which were effected in Ontario in 1966—and the general disclosure of information for the protection of shareholders, particularly minority shareholders.

The Canada Corporations Act is now more than 30 years old. Intensive study will be necessary to ensure that this act may continue to play a useful role in the development of a modern, outward-looking and efficient Canadian economy. Changes in legislation are therefore seen in the act. Though amended extensively in 1965 and slightly in 1967, it is due for a complete revision because of the growing importance of corporate law and recent developments in connection with disclosure of information in the securities field.

I wish to announce to the committee the establishment of a task force to study the provisions and working of the Canada Corporations Act. The director of the force is Dr. Robert W. V. Dickerson of Vancouver and the associate director is Mr. Robert J. Bertrand of Montreal. The task force will have the services of a number of people who have worked on recent studies for the federal and provincial governments such as the Carter royal commission on taxation and the Kimber and Lawrence committees in Ontario. I am causing a press release to be issued at this moment and hon. members will receive a copy which will contain biographies of all the full-time and part-time members of the task force. The members have now been assembled and have already held two full two day meetings. The work has been assigned and I have asked the gentlemen involved to follow a critical path approach and to submit their report to me on the specific problems put to them by September 15.

Speaking about task forces in general terms I believe a great deal can be said in favour of bringing in authoritative people from the academic world to give advice and assistance in any field to be reviewed and I am delighted with the calibre of the men who have agreed to devote their summer to examining the problems I have described. I believe in mobilizing where possible all the brains in the country for the solution of specific problems, since by using this technique we can bring fresh ideas into government and marshal the views of various interested groups by means of what I call a filter process.

After the task force has reported I hope to submit its conclusions to a reviewing panel of practising lawyers, accountants and representatives of the various interests involved. Then, of course, the departmental officials of the government will consider the results, putting them through another filter, as it were, and finally, when the bill is put to the House of Commons, I expect it will be referred to an appropriate standing committee where hon. members and members of the public may have ample opportunity to scrutinize it and suggest improvements. Our object is to enlarge the scope of the Canada Corporations Act to make investment in Canadian corporations as attractive as possible to Canadian investors and to ensure the most effective investment of resources in Canada.

I pass now to the securities field. A study of the subject within the government is now in its preliminary stages. We are continuing the work which was undertaken last summer to analyse the role the federal government ought to play in this field. When I spoke during the federal-provincial conference on securities matters last April, I envisaged that the federal initiative would lie in four areas. First, the federal government should encourage the provinces to adopt uniform legislation across the country and do everything it could to bring about uniformity. Second, we should establish a central repository of information on security matters, and this we have undertaken to do. Third, the R.C.M.P. would establish a fraud investigation squad, and their services in this field would be available to all provincial securities commissions. Fourth, we should contemplate the establishment of a federal presence inasmuch as the parliament of Canada has jurisdiction over international and interprovincial trading. I want to say that a federal presence in some form is necessary in the national interest. Of course, the co-operation of the provinces is essential and should be sought.

I may say there were two federal-provincial meetings, one in April and one which ended only yesterday. Some very interesting discussions were held and I hope we can envisage uniformity and the virtual elimination of duplication of administration for the better regulation of the capital market in Canada so as to encourage Canadians to invest with confidence in the securities of this country.

Perhaps I may pass now to the field of patents, copyrights and trade marks. My department is also responsible for the administration of legislation dealing with intellectual property. As hon. members probably know, this field was the subject in the late fifties of an extensive study by a royal commission under the chairmanship of the late Mr. Justice Ilsley. The reports by the commission on patents, copyright and industrial designs were tabled in the house in the early sixties but action on them is still forthcoming. My

officials were about to recommend legislation in line with the commission's recommendations when further progress was withheld following the announcement last July by my predecessor that the government had requested the Economic Council of Canada to undertake a study of certain important aspects of the responsibilities of the Registrar General and his department, including patents, copyright and industrial designs. I have already drawn this to the attention of the committee.

In the area of copyright also, legislative changes are unduly behind schedule. A number of representations have been received from time to time on behalf of interested organizations urging the government to act upon some of the Ilsley commission's recommendations. The present act requires almost complete revision and here again my officials are prepared to proceed with the drafting of new legislation as soon as the Economic Council reports.

The Chairman: I must advise the minister that the time allotted to him has expired.

Mr. Woolliams: I should like the minister to continue.

The Chairman: Does the committee give unanimous consent?

Some hon. Members: Agreed.

Mr. Turner: I am grateful to the committee for allowing me to continue. This is my first opportunity to outline my responsibilities to the house in a comprehensive way.

While I am on the subject of copyright, I should like to speak briefly of the Stockholm conference which is to take place from June 12 to July 14 with the object of revising the Berne Convention which was last revised at Brussels in 1948. The Berne Convention is an international agreement with respect to artistic and literary rights. The Stockholm conference proposes to amend existing requirements for the protection of choreographic works, to broaden the definition of cinematographic works as well as to change the terms of protection afforded cinematographic works, photographic works, works of applied art and works of joint authorship. It also envisages special rules for the benefit of developing countries to facilitate cultural, social and educational expansion in these countries.

• (12:20 p.m.)

I might take this opportunity to announce that the government of Canada will have at that conference an important delegation composed of officials from external affairs, officials of the Department of the Registrar General, representatives of the C.B.C. and of the National Film Board, as well as advisers from various private sectors.

Upon receipt of the final report of the special committee of the House of Commons on drug costs and prices, I immediately referred its recommendations to departmental officials and these have since been under intensive study. I want to take this opportunity, in my capacity as the minister responsible for the implementation of some of these recommendations, to congratulate the committee for the coherence of its report and for the research and fundamental review that the committee gave this very complicated and delicate subject.

The committee made a number of recommendations constituting a package program designed to bring about a lowering of the cost of drugs to the consumer. Some of these recommendations were directed to the government, some to the medical profession, and some to the industry, both the drug industry and the pharmaceutical industry.

My colleague, the Minister of Finance, in introducing his budget on June 1, announced the removal of the sales tax on drugs and other budgetary measures as part of a major government attack on high drug prices. These measures can only be a part of an effective program to reduce drug prices. The effect by itself of the removal of the sales tax and the lowering of the tariff, while beneficial and necessary to the general program of helping the consumer, will necessarily be limited. Indeed, according to the press some members of the industry have already indicated a somewhat extraordinary reaction to this action by initiating an immediate price increase.

Of the recommendations of the special committee directed to government, some would require legislation. These proposals will be considered on an urgent basis over the summer months and it is my intention that any necessary legislative measures will be announced to parliament in the autumn.

I have the responsibility, Mr. Chairman, of receiving the reports of the director of investigation and research of the combines branch. Turning now to developments relating to the Combines Investigation Act, as hon. members are aware and as I have already mentioned, the government requested the Economic Council of Canada to undertake a study of

certain important aspects of the responsibilities relating to combines falling within the authority of the Registrar General of Canada.

When the estimates of the branch were before the house last year there was a discussion of the necessity for increase in staff. I said at the outset that the increase in our spending within this department over the last year related primarily to increase in staff within the combines branch and within the bankruptcy branch. With my full support a continuous program of recruiting professional staff has been in progress during the 1966-67 fiscal year, and the establishment in this respect was increased from 34 to 42 positions as of April 1, 1967. The actual strength on March 31, 1967, was 30 professionals, and since that time additions have been made and several offers of employment have also been made.

The director still considers that substantial staff increases are necessary to cope with the increased work of the branch but he is faced with the difficulty of recruiting, assimilating and training new staff, which necessarily places limits on the possibility of rapid growth of the branch. However, while the major part of the work of the branch must be carried out by officers on the permanent staff, the director from time to time has engaged special assistants for particular purposes and in appropriate cases is prepared to make use of outside assistants.

In increasing the staff of the branch particular attention has been paid to the question of staff for the research section. At the end of the fiscal year 1965-66, one officer had joint charge of the merger and monopoly section and research section, staff for research being drawn from the merger and monopoly section. The permanent professional staff of the section now numbers five, including an officer in charge and four economists, all these officials having joined the branch since April, 1966. In addition, two university professors and four graduate students have been retained by the section for the summer.

We are looking for new legal and economic talent, honed in commercial skills, to give more effectiveness to the branch.

The following research projects are presently under way: First, an inquiry into mergers in Canada in the post-war period 1945-1965, a very important and large scale analysis of all known mergers in the period, designed to assist the government in formulating any future policy in regard to mergers. Second, the branch is undertaking a study of service industries at present not within the scope of the act, including professional sport. Third, the branch is undertaking a study of concentration in Canadian manufacturing industries.

I want to say that the department has an opinion from the Department of Justice that services are not currently within the ambit of the Combines Investigation Act but I would think, without trespassing on the reference to the Economic Council of Canada, that services constitute a considerable part of the gross national product and we should be thinking seriously about amending the act to embrace the service factor. I would also hope we could contemplate a stronger use of the trade and commerce clause, so as to give the act civil as well as criminal jurisdiction, and with a civil jurisdiction a power to insist on cease and desist orders.

We must also continue the scrutiny of the Combines Investigation Act as it applies to our exporting impetus because there is obviously a difference in the application of the act, recognized already by the statute, as it affects the domestic and export parts of our industry.

A matter of importance in the enforcement of the act has been the size of the fines imposed. While it has not been the general policy of the crown to ask for specific fines but rather to draw all relevant facts, including the seriousness of the offence, to the attention of the court, the policy now is that after obtaining and considering the recommendation of crown counsel in this respect he is instructed to request a minimum fine where the court invites a specific representation.

Until recently the largest single fine imposed was $25,000. In a recent case, however, individual fines ranging up to $150,000 were asked for by the crown. Although the maximum fine imposed on any individual company in this case was $75,000, the total fines amounting to $391,500, the crown is seeking leave to appeal against the amount of the fines levied.

Finally, Mr. Chairman, I would like to address the committee on the matter of consumer interest. As all members of the committee know, there was reference in the speech from the throne to the establishment of a department, or a reorganization of the present department, into a department of corporate and consumer affairs. The legislation concerning the minister's authority and the departmental name—we are not yet wedded to any particular name—will be introduced at the present session of parliament in the fall. The

contents of the bill will be made known in due course in the proper way, and at that time I would hope we could have a full debate on the scope of the department.

I want to pay tribute to the special joint committee of the Senate and the House of Commons on consumer credit prices. I think that the hon. member for Vancouver-Burrard and Senator Croll played an outstanding role, as did all members of the committee, in bringing the high cost of living and its relative aspects to the attention of the Canadian people and the House of Commons. I also want to applaud in particular members of the opposition who served on that committee, especially the hon. member for Vancouver-Kingsway, who played a very crucial part in its decisions.

Further, I want to pay tribute to the efforts of the Consumers Association of Canada and other groups who contributed to the work of the committee. This committee is in the vanguard of a revolution in the committee system. This committee broke new ground. The use of the committee system in this fashion allows wide public debate. I believe it allows members to be better informed and through them allows the public to be better informed. I think it strengthens the independence and widens the knowledge and participation of members and the people in the development of public policy. It calls upon the experts and the technocrats, both within and without the government service, to account for and explain the basis behind the policy judgments and decisions. It, of course, allows the private sector and business to bring their views directly into the legislative process. I think this is a very encouraging trend indeed. I should like to see the committee reconstituted in the fall so it may continue its work.

• (12:30 p.m.)

The broad objectives of the consumer program which the government intends to develop are the following: First, to give the consumer a voice in government; second, by legislation, research and education to improve the quality of consumer demand and to place the consumer in a better position to protect his or her own interest and establish his or her own choice more effectively. I said before that no department of government will be able to protect the consumer. All we can do is put the consumer in a better position to protect himself or herself by assuring that the market forces are fair and equal and that there is as much research, information and public education as possible made available so that the choices the consumer has to make in an increasingly complex economy are made clear to her. Third, we hope to provide for the orderly channelling of consumer submissions and inquiries which are made to government. Fourth, in consultation with the provinces we hope to work toward unification throughout Canada of a program of consumer protection. Here again it will be necessary to have the closest co-operation with the provincial agencies and departments which now, happily, are beginning to assume some responsibility for this area.

I should like to digress briefly to reply to some very interesting remarks made during the debate in reply to the speech from the throne by the hon. member for Vancouver-Kingsway. She took exception to the department having responsibility for both corporate and consumer affairs. She felt that consumers would be sacrificed to corporations. I hope I have stated her argument fairly and I hope she will contribute to this debate later this afternoon. I should like to say to her as respectfully as I can that I disagree. I should like to offer the suggestion to her that I feel she may be misconstruing the mechanics of the department. In order to put the consumer in a stronger position, two aspects of the market relationship must be scrutinized, that is, the supply aspect and the demand aspect, the seller or distributor on the one hand and the purchaser or buyer on the other.

On the supply side the whole field of competition must be looked into. There is the area of fair market practices; there is the area of disclosure so that there is sufficient information available for the investor or consumer. It relates also, on the supply side, to the methods which would enhance the validity of the consumer's choice. There is the matter of the method of packaging, labelling and weights and measures. All these aspects of the supply side involve corporations. They involve, on the part of companies and businesses in this country, self-discipline and self-regulation so that there are competitive forces at play and so that marketing practices are fair and not deceptive.

I would hope that by the concentration of this effort within a department of government we would be able to persuade industry and the mercantile interests to fulfil the objectives we have in mind. If we are unable to persuade them within our constitutional authority as a federal government, we have the power to regulate. This would involve the combines branch, the corporations branch, the securities branch and the bankruptcy branch.

On the demand side there is the necessity that the consumer be informed. This is the primary objective. It involves such things as education and research. The summary of my argument, therefore, is that in order to give the consumer proper representation and in order to give the consumer what protection we can within the limits of government we must have authority over both the demand and supply sides of the market relationship. Otherwise it would be ineffective.

It is not possible for me to state in greater detail at present the government's plans, because in accordance with what I have previously said we want to have the views and recommendations of the Economic Council of Canada when formulating the consumer program. As I said before, we hope these will be available shortly or at least before the fall.

In order to be effective the federal program must be developed carefully, deliberately and not hastily. I should like to suggest a number of reasons for this being so. The federal jurisdiction is limited in this field. We cannot, for instance, contempate direct controls such as price controls or the regulation of industry within this scope because ordinarily these are provincial matters. The federal government does not have jurisdiction over prices. Prices depend on competitive forces. We hope to ensure that the forces are truly competitive. Prices in general depend on the general economic and fiscal policies of the country. Second, we need to consult and liaise with the provinces. We need to do this in order better to supplement and integrate the existing and future provincial consumer programs. In the third place we must proceed carefully because it will take time to recruit and co-ordinate adequate staff. Finally, I believe it is a useful thing to know what we are doing before we do it, because I am very anxious that what we do shall become effective. It is all very well to go off in all directions like a chicken with its head off, but I feel this would only cause unnecessary distortions in marketing practices and would provoke more difficulties than it would solve. If I were to suggest something which perhaps is un-Canadian, I might say I think we should have facts before we have policy. I intend to proceed with all deliberate speed in that fashion.

Within the consumers' interest, the department of the Registrar General will have responsibility for the relationship of business with the public, the investor and the consumer. We do not intend needlessly to interfere with the relationship between business and

the investor and consumer. We do not intend to tell the manufacturer what to produce. We do not intend to tell the retailer what to sell or at what price he should sell it. We do not intend to tell the worker where to work and we do not intend to tell the consumer what to buy. We believe in a free market economy. I feel that we should release the competitive forces. This means we must attack monopolies and prosecute seriously all price fixing. It means there must be fair selling practices. We need to do the best we can to ensure that there are fair selling practices. We believe in persuasion before regulation, but we believe in regulation if that becomes necessary. We intend to do that.

Finally, of course, there must be education of the public. The consumer must be equipped by all reasonable means to make valid choices and judge true prices. We hope we can make this a department for the average Canadian. I should like to say that we will place particular emphasis on ensuring that the lower income consumers, those under the poverty level, those who are on the fringe of poverty, those with disabilities and pensioners can expect to have the maximum purchasing power for every dollar.

In conclusion I should like to thank the committee for its courtesy in putting up with such a long statement. I felt that I should outline to the committee the general responsibilities of this department. I should like to say to hon. members through you, Mr. Chairman, that this is a new department. It is a department with an important effort, a pioneer effort. The interests of the consumer, the investor and the businessman are not the responsibility of the government alone but are the responsibility of all of us in all sectors of the economy. I want to say that all members of parliament have a direct responsibility. I welcome comments not only from the floor of the house but if at any time a member from any quarter in the house has any particular point of view to discuss we can meet on a formal or informal basis and discuss it. I welcome constructive criticism from all quarters in the house.

• (12:40 p.m.)

We seek in this department to become a voice for the consumer in the councils of government, but we also want to ensure that the business interests of the community are able to operate effectively and efficiently. The keynote of our approach is partnership between all the constituents—consumers, investors, business and government.

I should like to point out to the members of the committee that this is not an expansion of big government but a reorganization of the existing responsibilities of government. I was looking at the estimates before I came in here and comparing the revenues of this department against the expenditures. This department will cost the Canadian taxpayer, net, $1,278,500. This is a considerable sum of money. However, when that sum is considered in proportion to the $9.5 billion in the estimates we are not going to be one of the big spenders in government. I do not expect any appreciable increase in expenditures, and every increase will be directed primarily toward recruiting skilled personnel to help us achieve the objectives which I have tried to outline. I say this is a reorientation; it is a co-ordination of existing agencies.

I believe that the expenditures of government must be controlled and that priority in spending must be determined. It is on this basis that an effort such as this, being a new one within the federal government and an important one, needs the support, assistance and co-operation of all members in this house and of everyone interested in the problems with which we will be dealing. I say again that we welcome any suggestions and criticisms. We will seek the co-operation of everyone. I want to thank the committee.

Mr. Woolliams: I have listened with a great deal of interest, Mr. Chairman, to the minister who is a new minister with a new department. I believe he has given it a new look. I feel that the reorganization of some of these departments, particularly those related to this field, is a good thing because it means that some of these activities are being dusted off. As the minister said, some of them have been neglected for a long time. I am going to deal with the department in its various phases. The minister has responsibility for the general administration. He has responsibility for the Restrictive Trade Practices Commission which administers the Combines Investigation Act. He has responsibility for bankruptcy. He has responsibility for the corporations branch. He has responsibility for the patent and copyright branch as well as trade marks and a few other items which are thrown in.

I believe we have heard today a young man of the new generation. I have never been concerned too much about chronological age. I am more concerned about mental age and the ability of a person to keep abreast of the times. I think I can pay the minister this compliment. He is one of those men who belong to the new generation. Not only is he young chronologically but he is young mentally and is very aggressive and progressive. Mind you, I am going to make some reservations because even when we flatter each other we have to make reservations.

I would say to hon. members through you, Mr. Chairman, that we have been listening to a good advocate. After all, a counsel is a man who sells ideas just as a salesman sells products. I would say the minister is a great salesman. He ended up on the theme of great freedom without control. I am going to put forward particular criticisms of the department itself and what has gone on in the department, but not of the minister or the other members of the department. As I have said, they have dusted off a few of the things that needed to be dusted off. I will come back to that theme.

I still believe, in spite of what the minister has said, that this government—whether the minister has any responsibility for it I do not know—is bringing about more control of business than any government since confederation. I believe there is not much difference between Liberals and Conservatives when it comes to how we say things. However, I believe that the Liberals believe in control and regulation. This is the reason the minister ended on the theme he did because he is concerned that the public should know where he stands.

When I travel throughout this nation I find that businessmen, small and large, farmers and trade union people are concerned about government control and government regulation. Some of the great things the minister has recommended can be done without any element of control. We have today the biggest bureaucracy the country has ever seen. The figures for last year indicate that $1.57 billion was spent on bureaucracy in this country. When I use the word "bureaucracy" I am using it in the broadest sense. I do not intend any particular criticism of any of the members of our public service. I am one of those, and I have said it before, who believe we have probably the best civil service anywhere in the world.

I want to deal with a few of the important items raised by the minister, particularly the Combines Investigation Act. This act is certainly essential. I agree with the minister that just as we have to have a Criminal Code to set a moral standard for the people, so we have to have an act to set an economic moral

standard for business. There is always a danger—I know the minister is aware of it because of his experience as a lawyer prior to becoming a minister—in any group having power such as the Restrictive Trade Practices Commission has. The way the commission implements the law, the degree of harshness with which it is enforced, may prevent a company discussing matters which would enable it to be more efficient in competing with other companies at home or abroad. It was for this reason that when we amended the Combines Act at the time we were the government the then minister of justice, the hon. member for Kamloops, dealt with that very aspect. Certain exceptions were made for the fish industry so we could compete with Japan and other nations.

In so far as the Combines Investigation Act is concerned, the idea is to prevent any phase of business from getting a virtual monopoly. The interpretation of the act with regard to the word "virtual" is that degree of monopoly which is against the processes of law. It is unfortunate that in the past some of the great cases under the Combines Investigation Act, such as the sugar case and the brewery case, were dismissed because the evidence produced was not sufficient. In my opinion there was certainly a virtual monopoly in those cases from the layman's viewpoint, if not legally. As I say, those charges were dismissed, but that does not mean there were not competent lawyers prosecuting those companies.

In dealing with the Combines Investigation Act the minister talked about mergers. There are some mergers that may be very good and there are some which may create what I have referred to as a virtual monopoly. There is a new and, I think, dangerous trend today. I am as much against monopolies as I am against socialism. The kind of free enterprise which I think we should seek is one which would keep average-sized corporations in business. We oppose mergers of the kind where great monopolies in one field merge to control a whole industry, as in the case of the sugar industry in this country. When we have evidence of that the Combines Investigation Act should be used.

• (12:50 p.m.)

I want to mention something that I believe the Combines Act should look into, and I hope the minister will take note of this. The most expensive thing in Canada today, outside of paying income tax is dying. I have received letters about this matter. I am told that a monopoly exists today in the case of all the hardware that goes into making coffins. Some hon. members may feel this is a humorous topic, and perhaps it is. But because of this monopoly prices are set throughout the nation. I want to make sure that I do not leave the wrong impression in this regard. The fault is not that of the undertaker or the small funeral parlour in our cities, towns and villages. They have to pay a certain price for materials and that price if fixed. If you go anywhere in Canada you will find there is a virtual monopoly in respect of funeral prices today, not because of the undertakers but because of the monopoly in respect of hardware and the making of coffins.

The Combines Investigation Act should be enforced in this field. It may be found that those who control this monopoly—I will not name them here because I do not believe in carrying on an investigation in the House of Commons, and this information can be arrived at very easily—will be the cause of some sensitivity on the part of the government and other industries. An investigation may put the finger on the pulse of sensitivity in this respect. This virtual monopoly should be immediately investigated.

How much the Combines Investigation Act should be changed to fit new circumstances is something that can only be determined by the future progress of business in this country. I do not believe that the provisions of the act should be implemented too harshly. I am against the kind of decision that has been made in this regard. It seems, however, that the courts have followed this line. Where they found as a fact that there had been a virtual monopoly, say in the field of electrical supplies or plumbing equipment, even if the companies got together at a meeting in order to safeguard their businesses from insolvency and bankruptcy they were charged under the act. I was involved in one of those cases. The argument put forward by crown counsel at that time was that even if it was shown that the companies lost money they were still guilty under the act.

The act does not provide, of course, that there has to be a profit involved, but surely where companies in an industry because of new circumstances, perhaps automation or a change in the economic situation of the country, meet to solve some of their difficulties the act should not be too harsh with them. The act must be changed to fit new circumstances. Sometimes companies in an industry have to meet, and meet legally, in order to compete

for the domestic market and export trade. As I have said, if there were not some sort of combine in the fishing industry or other industries of this nation, we could not compete with the United States and Japan. We could not compete in this field if there were not some meeting and agreement among those in the industry. So much for the Combines Investigation Act, Mr. Chairman.

I now turn to the question of patents. This is an area where a young minister with young ideas can step in. Our patents are not recognized internationally; they are not worth anything outside Canada. I will use an example in this respect. A fellow named Goett in Calgary invented a new plow. It not only plowed the ground but pulverized it. You could go into a field cleared of brush and with this plow pulverize the roots and stumps to dust. This made the ground more fertile because the tree material was mixed with the soil. This was a new idea. This man came to my firm and asked us to obtain a patent for him. I have talked to many lawyers about this situation, and I am sure the minister is aware of it. After discussing the question with specialists in the city of Toronto I found that the only safeguard for this man, because big companies in the United States like Minneapolis-Moline and others wanted to get hold of the plow, was to patent the machine in Great Britain and then re-register it in the United States and Canada. This had to be done because the United States does not recognize a Canadian patent; they do not care about it. Words are only words and we can be too nice about these things.

This is only one of the many experiences I have had in the field of patents, and it is one field that needs to be dusted off and looked at very carefully. I hope the minister will give careful consideration to this question. To make patents effective we have to go to the authorities of the United States and Great Britain. It is a blow to our nationalism and our growth when a Canadian patent is good only in this country and is no good in Great Britain, the United States or anywhere in the commonwealth. I know the minister has to be a little more careful than those of us who sit on this side of the house, but I am sure he will agree with me that Canadian patents are not worth anything outside this country. We are a nation of 20 million people but a Canadian patent does not mean much. In our trade with the commonwealth, the United States and other countries, patents are everything. Our patent law needs a complete overhaul.

I now come to a matter that is perhaps slightly outside the jurisdiction of the minister, but, after all, he sits with the Minister of Agriculture. I own some registered horses. In fact, I have in Alberta a stallion that was imported from Wales by the Duke of Windsor. This stallion and the horses are registered as purebreds in Great Britain. I can register them immediately in the United States without any trouble. The colts from that strain of Welsh ponies are registred in Canada. The certificates in this country are much prettier; you get a great big star and a lovely signature. I sent the certificate to Washington and they sent them back and said they did not recognized purebred stock registered in Canada. I have letters to prove this. This does not apply only to horses but also to cattle. In western Canada particularly there is a great ranch industry with purebred cattle of all kinds. In order to protect ourselves we have to go to Great Britain to register them and then to the United States. I am fortunate that one of my colleagues is away today and it is my lot to discuss this topic. At one time these matters came under the jurisdiction of the Department of Justice and the Secretary of State. I have had some experience in this field.

These are three matters on which the minister can work. Let us get our patents recognized in the United States and Great Britain. Let us get certificates of purebred stock that are recognized outside Canada. Let us have a document that is recognized in the United States, Great Britain and throughout the world. If action were taken to improve the situation in these three areas a great deal of good would be done for the nation. People are constantly complaining about the problem of registering cattle as purebred. I know that this matter comes under the jurisdiction of the Department of Agriculture but it is very close to the field of patents and trade marks; it is in the same area of law.

I now want to say a few words about the branch of the department that will deal with corporations. It was refreshing to hear the minister discuss this topic so intelligently. This is indeed a big field because, as the minister pointed out, under the British North America Act securities fall within the jurisdiction of the federal government under certain conditions and in other conditions they fall within the jurisdiction of the provincial governments.

I believe that some of the problems that arose recently in Ontario, as a result of which companies went bankrupt and people lost their

savings—and nobody in particular is to blame for this—were brought about because the provincial and federal officials were not quite sure of the ambit of their jurisdiction. As a result the provincial government waited for the federal government to do something and the federal government waited for the provincial government. Therefore the proposal of the minister is good; it is good philosophy. As I understood the minister—and I made a careful note of what he said and listened carefully to him—the government will work out with the securities commission and the provinces a system similar to that used in Ontario, which everybody recognizes is the soundest in Canada. We have copied it in Alberta. We should work out a plan, after liaison between the federal government and provincial governments, whereby we can administer securities without there being a conflict of jurisdiction.

• (1:00 p.m.)

I see it is one o'clock, Mr. Chairman. Will we take a break for lunch today? I would like one as on Fridays I am more hungry than on other days of the week.

The Chairman: Order, it being one o'clock the sitting is suspended until 2.30.

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 Registrar General, vote No. 1.

Mr. Woolliams: Mr. Chairman, at the adjournment I was speaking about corporations and securities. I said that perhaps the big problem at the time of the collapse of Atlantic Acceptance Corporation and Prudential Finance Corporation was that neither the province nor the federal government appreciated the jurisdictional aspects and nothing was done to warn the people who had placed their savings in those concerns about the economic and financial catastrophe which resulted.

The minister said that he does not want to regulate such concerns and it is true, I think, that most people would agree with him. The minister said that what we need is the kind of regulation that protects the Canadian investor. I am not one of those who go along with the arguments of my hon. friends to my left, which are sometimes heard not only to my left but also in other parts of the house. When a person wants to invest his money in stocks he must accept the fact that some element of chance is involved. If he is not prepared to take a gamble he must confine his activities to a yield of 4 or 5 per cent in the bond market. But there must be a certain degree of freedom in the investment field so that people are encouraged to invest their money. If the field were too well controlled by the securities commission, you would never be able to change a private company which has certain objects into a public company and sell the stock to the public. Nevertheless, as I say, at the same time the public must be protected.

Before I leave the subject, Mr. Chairman, I dealt earlier in my remarks with the monopoly position that obtains in certain aspects of the work of funeral directors. I should like to put on record, because it is interesting, that preliminary investigation shows that there are 51 firms in Canada making caskets and 8 manufacturing embalming fluid. It is also interesting to note that only one or two firms control the manufacture of hardware for caskets. Therein lies the monopoly.

It is further interesting to note that there is no record of who the directors are of the National Casket Company of Toronto, which is also engaged in the manufacture of embalming fluid and accessories. Neither is there any record of other business details in connection with that company. The National Casket Company of the United States, which has its headquarters in Boston, has no Canadians on the board. Indeed, there is no hint of any Canadian connection. There is no business directory which shows that Mr. McConnell is connected with anything but publishing and sugar. There is a variety of material available, pro and con, in connection with the unnecessary and extremely high cost of funerals, but none of this material is more recent in date than 1960.

I think that this is a field which should be investigated immediately in order to ascertain who controls the casket and embalming fluid manufacturing companies in Canada. This would be, of course, the job of the restrictive trade practices branch. I have always found that when they conduct an investigation they do a very thorough and capable job. They have the kind of personnel we need in this field. I am not ignoring the services of the director of that branch when I say that, but I do know that the men working for him, some of whom have not been trained in the field of

law, do an exceptionally good job of investigation and inquiry in relation to preliminary matters which may lead to a prosecution.

I should like to review one other matter before I go on to another aspect. I pointed out this morning that the statute relating to patents has been so long embalmed that if under its terms a Canadian applies for a patent for an invention and that patent is not registered properly in the United States or in Great Britain, someone else in either of those countries can copy the invention and sell the same thing back to Canada and there is nothing that can be done about it. In effect, it means that a Canadian has to ignore the Canadian statute and make sure that his patent is registered properly in the United States or Great Britain so as to protect his own interests.

I will now turn to the proposed department of consumer affairs. The minister mentioned drugs and the reduction in tax. I think that this problem is very well summed up in an article to which I should like to refer for a moment, because in my opinion drugs are the biggest racket there is. This is an extract from the *Albertan* for June, 1966:

> Your friendly neighbourhood druggist is a spoke—often an unwilling one—in a free-wheeling, sugar-coated racket.
>
> Each day hundreds of thousands of dollars are wrung out of Canadians for badly-needed prescription drugs, and almost without exception the customer shells out from two to ten times as much as he should.

There is a good example here to which I might refer:

> • (2:40 p.m.)
>
> A German company seized during the war, it was sold to private interests in 1952 for $29,000,000, and chalked up such fat profits that the owners got their investment back in 5½ years. During this period the hottest item was an anti-arthritic with the generic name prednisolone. A package of 100 tablets cost the firm $1.57, wholesaled to druggists for $17.90, and retailed at $29.83.

In Calgary. That represented a mark-up of 1,863 per cent.

> The same drug was available at the time from a small U.S. generic company at wholesale price of $2.70 per 100.

That was the price they charged instead of $17.90 per hundred.

Words are great. We have our committees and our investigations and they look into this and that and everything else. We want action. The Canadian people are crying for action so far as the drug industry is concerned. Today is the day of pills. That is what people take after going to the doctor. There is a shortage of doctors, and people are taking pills and drugs. As I say, today is the day of pills. If you have an ache here or an ache there, or a pain in this or that part of your body, pills are prescribed for you. This is the era of drugs. We have advanced far and drugs are helping to keep people healthy. The drug industry knows that this is the age of pills and it has moved into the racket. That is what it is.

We talk about medicare, but the great difficulty these days is not in paying the doctor but in paying the druggist. The doctor may charge you $5 or $10 for an interview but the druggist charges you $25 for the prescription. This is where the problem arises and this is what must be examined and dealt with. The drug industry is a monopoly. In Canada as well as in the United States it has become a racket, and in this country we have only scraped the surface of the problem.

The minister talks about the cost of living, but we must be fair. The Canadian cost of living has been increasing since 1963 and has increased at a much faster rate than at any other time since the war. When we talk of the cost of living we really are talking about consumer credit and the prices consumers must pay, and some of the responsibility for the increase in living costs must be borne by the government.

When the Conservative party formed the government from 1957 to 1962 there was somewhat of a recession in the United States which was reflected in Canada. The leading economists of that time agreed that there was a case for deficit financing. Yet today, when the economies of Canada and the United States are rising and are better than at any time since 1962, we have deficit financing. We have a deficit of $700 million and a new kind of budget. We do not know what would have happened had there been an orthodox budget. When one adds to that deficit the $600 million to be spent on medicare, which is to begin next July, the total deficit will be in the order of $1,100 million.

The minister talks about free enterprise. What is the matter with the country today? Why do we have these combines? Why do we have these monopolies? It is not because the combines investigation people are not doing their job but because governments—not only on the other side of the house but also formed from this side—have been bringing in, beyond the ability of the gross national product of Canada to bear, such grandiose plans that the government spending has necessitated high taxation.

In any small business the greater partner is the government. You cannot tax a small medical clinic, a small legal firm or a small business firm up to 50 per cent of its income and expect it to stay in business and compete with monopolistic groups that have a large turnover for their products. As a result, no matter in which Canadian city you conduct your research you will find the small storekeeper, the small druggist or the small professional man going out of business. I know of a firm of four people which employs a staff of six. Of those six, two are employed to fill out government forms.

An hon. Member: Hear, hear.

Mr. Woolliams: I hear my left-wing friend saying, "Hear hear." He is happy.

The Dominion Bureau of Statistics sends out forms demanding that they be filled in and returned. Anyone failing to comply with such requests is subject to a fine. Added to that, employers are faced with income tax forms, unemployment insurance forms, pension documents. Two people are needed to fill out forms to take care of every four employees. In the big, automated businesses, machines cope with the demands of bureaucracy, demands which are ever increasing under this government. Small businesses, which have to hire employees to cope with this work, are being driven out of business. That is why we have monopolies. The cost of living is partly the responsibility of this government. The only real new wealth in Canada is not created by the government spending money but is brought about by the creation of capital from the production of goods in the nation.

An hon. Member: Hear, hear.

Mr. Woolliams: I am glad that my hon. friend from British Columbia agrees with me. He does not always agree with me.

Now I come to the subject of bankruptcy. The minister told us about the new act and about the new set-up in the bankruptcy field. His speech was full of words and fine phrases, but there are other matters that I and other hon. members would have liked to hear about. Has there been any investigation into the group bankruptcies that we have heard about in this country? What about the lawyer, whose name for the moment escapes me, who 18 months or two years ago after investigating bankruptcies was murdered? Has that crime been solved? The Prime Minister talks about syndicated criminals and the bankruptcy racket. What has he done to bring about a solution of the crime?

The house spent some time during the last session of parliament debating capital punishment. The Liberals for once sent their whip home and we had a free vote. We voted against the abolition of capital punishment. I took the position that the government has power to commute and that the government, unless it abuses that privilege, is not flouting the law. Is that privilege to be exercised on behalf of syndicated criminals of the kind who murdered the lawyer or who murdered the 11 people who were discovered buried in lime in the Montreal district? Members of parliament voted to retain capital punishment so that society would have protection against such criminals. There must be some reason for crime to be increasing. The British are reviewing their criminal laws on the subject I spoke of earlier. Why should this matter once again come before this house?

I shall now return to the subject of bankruptcy. I hoped that the minister would give us information. It is true that we have a new act, but that does not mean to say that syndicated criminals in the bankruptcy field will not find ways to enrich themselves at the expense of Canadian business. That sort of thing has been going on for a long time. It is a racket.

The Chairman: Order, please. I must advise the hon. member that the time allotted to him has expired.

An hon. Member: Go on.

The Chairman: Has the hon. member unanimous consent to continue?

Some hon. Members: Agreed.

• (2:50 p.m.)

Mr. Woolliams: I have only a few minutes to go. I have tried to summarize my remarks. I may be the only member from our party to speak on these estimates. We are trying to cut down the number of speeches. The minister may be glad to hear that I believe I am the only speaker from this party—there may be one other. So it is likely the estimates will get through quickly and we can turn to other business.

I was discussing bankruptcy. The former minister of justice, Mr. Cardin, set up a commission of three people to investigate the bankruptcy field. I should like to know what this commission had to say. I should like to have its report summarized for my benefit and for the benefit of the country. I notice

there is nobody in the press gallery so perhaps it will never be summarized. When we are absent they mention it, and I do not see why we should not do so when they are absent.

An hon. Member: They can hear you upstairs anyway.

Mr. Woolliams: That will be very refreshing for them. Bankruptcy is a specialized field and I feel that special courts should be set up to deal with it. There are very few solicitors who understand the law relating to bankruptcy and, as a matter of fact, few judges understand it. In most districts the practice is to appoint one judge with special knowledge in this area and he does 90 per cent of the work. Of the small group of solicitors who understand bankruptcy law, few have knowledge of the criminal law, with the result that it is difficult for them to detect offences under the Criminal Code and prepare charges, when there is evidence of fraud, with the evidence necessary to bring cases before the courts of law.

In summary I maintain, in spite of what the minister has said, that the government has shown little more than a readiness to make regulations and regulate the lives of Canadians. We can point to examples. With regard to the pension plan, for instance, the nine provinces were told: This is what you will get. The former minister, now Secretary of State, told the premier of Alberta: If you don't like it, you will pay for it anyhow and you will not get the benefits. Hon. gentlemen over there are placing business in a straitjacket as a result of increased bureaucracy and stricter control. They are increasing taxes, already heavy, as an indirect way of socializing business.

I hope, therefore, that when the minister comes to answer some of the questions I have raised he will get away from his beautiful phrases, dust off some facts and let us have some concrete information about the bankruptcy situation. Let him tell us what he is prepared to do with regard to patents. Let him tell us how he proposes to increase liaison between the provinces and his department so far as corporations are concerned. If he keeps these suggestions in mind I think he will be running a very efficient department.

I began on a note of commendation and I meant it. I think we heard this morning a new generation speaking in the House of Commons. I hope I have measured up to my responsibility by calling to the minister's attention some of the difficulties with which he will have to cope. He is new in this department. Every young man is out to make his name, and I know the hon. gentleman is no exception. He is politically ambitious, and it is no crime to be so. I wish him the best of luck. Maybe next year when the estimates are before us again he will be able to tell us that the patent law of Canada means something to Canadians, will be able to give us a full account as to how the bankruptcy law is operating to clear up crime and a full report on the legislation he has been able to work out with the provinces to control fraud in the selling of stocks and securities so as to protect Canadians who have invested in their nation and who have faith in their nation.

Mr. Howe (Hamilton South): Mr. Chairman, listening to the statement made by the hon. member for Bow River about funerals and embalming I could not help contrasting the morbidity of those remarks with the enlightened observations of the minister, whom I congratulate. The house was certainly left in a different mood. I hope the hon. member for Bow River does not become too confused when he has to look to the right to the left.

I wish to speak about the cost of drugs in Canada, about combines and monopolies, about competition or the lack of it in the drug industry. It is my intention to discuss drug prices in the hope the government can produce legislation which will effectively lower the prices of drugs to Canadian consumers. The hon. member for Bow River made a casual reference to drugs. I intend to devote my entire remarks to that subject and will refer to the studies which were made by the committee and information which I myself have gleaned since the committee last sat. I believe the prices of drugs could be lowered by changing the patent law and by easing compulsory licensing regulations. By way of background I shall seek to explain why the price of drugs is today at such a high level.

It has been stated that drug prices in Canada are the highest in the world. Responsibility for this lies, in my opinion, with a monopolistic group known as the Pharmaceutical Manufacturers Association of Canada, referred to as P.M.A.C. for the sake of brevity. This is a combination or combine of 57 drug companies which manufacture 85 per cent of the prescription drugs used in Canada today. They do not compete with each other in price and I like to consider them as a

private club to which a manufacturer can belong if his prices are high enough and if he is capable of making a brand name drug with a long name.

This association is monopolistic, as I have said, because there is no competition except in the volume of advertising directed to doctors. Doctors are swamped with advertising material to the tune of $5,000 per year per doctor. Efforts are made to influence them through direct mail advertising amounting to something like a pound of literature a day, most of which is thrown immediately into wastebaskets. The companies use advertising in journals, particularly medical journals including some owned and produced by themselves in which commercials are interspersed with bits of medical information. In addition, gimmicks are given out whose value is difficult to estimate. Certainly they have some value, though no medical information is contained to enable a doctor to decide scientifically which drug he should prescribe for a patient.

I believe—and this was not contradicted in the committee—that there is no direct relationship between the cost of manufacturing a drug and the ultimate selling price to the consumer. I should like to refer to a brief submitted to the special committee on drug costs and prices by the government of Alberta. It was written by Mr. Henry Steele, a professor at the University of Houston, Texas. It is one of the most comprehensive briefs I have ever read. It contains more than a hundred pages and I agree that it is an excellent piece of work. Referring to the Hoffman LaRoche submission to the committee, Mr. Steele states:

• (3:00 p.m.)

The submission relates that Bell-Craig, in its application for a compulsory licence for chlordiazepoxide (the so-called "Librium") maintained that while it could not estimate its probable cost of manufacturing the drug very accurately, this was largely irrelevant to the selling price. Roche agreed without comment. The implication is clearly that prices need not be related to costs, and that the cost is so small relative to price that substantial variations in cost would have no significant effect on expected profit margins.

I quote further from the same brief:

Although the "broad-spectrum" antibiotics all sell at virtually identical prices, production costs appear to differ greatly, at least on the basis of available cost information.

This, Mr. Chairman, certainly proves the point that there is no direct relation between the cost of manufacturing and the ultimate selling price.

[Mr. Howe (Hamilton South).]

When the P.M.A.C. group appeared before our committee I had in my possession at that time a list of 56 drugs with the manufacturers' selling prices to the retail outlet, the drug store, in England, compared with the cost that druggists pay in Ontario for the same drugs, according to the cost book. In this list of 56 drugs there was a differential in price of up to 20 times as much in Canada as in England. One particular drug was sold in Canada at $10 per hundred to druggists, while the same drug sold at 50 cents a hundred to druggists in England. The brand name was the same. The differential had nothing to do with generic manufacturing.

This posed a problem for the P.M.A.C. and their economist took one whole week end to work it out in order to try to give me an answer. In the answer he came up with he lumped together all 56 drugs on my list, not all of them having a price variation of 20 times as much, and devised a factor of the number of hours of work necessary in Canada compared with the number of hours necessary in England to buy this basket of drugs. Then he used this factor, which I believe was 2.4 or 2.04, and multiplied all the English prices by it. This did not bring them quite high enough, so then he went into various other explanations of their system of retail pricing, wholesale pricing, and so on. If we were to accept this explanation, then by the same token I would presume that if I went to India, or any other less developed country, I should be able to purchase a brand new Ford car for about $400, using this line of reasoning. I cannot see that this line of reasoning is acceptable in trying to rationalize the price of drugs in Canada today.

To cite specific examples, Smith, Kline and French is a drug manufacturing company which is a member of this private club. They manufacture a drug known as stelazine, and in 2 mg. size the subsidiary company in Canada was recently purchasing it from the parent company in the United States in dosage form, in other words, in completely manufactured tablets in bulk, all ready for bottling and labelling, at a cost of $1.32 per thousand tablets. These ultimately are sold to the consumer at $6.50 for 50 or $125 for $1,000. I make this out to be a 9,700 per cent mark-up. I know that labels and bottles are expensive and that pushing drugs is expensive, but I cannot see that a 9,700 per cent mark-up is justified.

I have with me today a book I recently got, printed in 1967, called "The Pill Conspiracy," by George Johnson. It is a very revealing

book and should be read by the minister if he is going to do anything at all about drugs. It has been stated that drug prices averaged out only come to double the average profit of over-all industry, which really brings a tear to your eye when you stop to think that the drug manufacturers can only make double the average profit at the expense of sick people.

This book takes individual companies to give a comparison, which is the only fair way of doing it. Based on percentage of sales, which in a sense is not a fair way of estimating profit—it should be figured on dollar investment—this book lists the top 50 industries as individual companies. It shows, for example, that Dupont makes a 22.8 per cent return, General Motors 22.8 per cent and I.B.M. 19.1 per cent. No. 4 on the list, at 35 per cent, was American Home Products Corporation, which owns two or three of our previously Canadian drug manufacturing companies. Smith, Kline and French, which I have just referred to, is No. 6 on the list at 33.9 per cent. All in all, in the top 50 there are six drug companies which are making profits at this level.

To give another example, Mr. Chairman, there is an antibiotic sold by Parke, Davis which, interestingly, is imported from Italy. It would not pay them to manufacture it themselves. They buy it from the very same place in Italy from which they complain we should not buy low quality drugs. They bring it over here, make tablets out of it, bottle, label and sell them. With duty paid the price goes from $1.52 per hundred to $51 per hundred. This leaves quite a bit of leeway too.

I would like to refer to patents in connection with this matter and in particular to Pfizer, a drug manufacturing company which instigated the use of some of our wide-spectrum antibiotics. This will show what patents tend to do to drug prices. Pfizer's manufacture a drug known as terramycin, whose generic name is oxytetracycline. Its patent on the drug recently expired, something which has happened to very few modern drugs because patents last for 17 years. Pfizer was selling the drug at $16.76 per 100 250 mg. capsules, and here I am taking the liberty of changing shillings and pence into dollars and cents.

About April, 1966, Imperial Chemical Industries started producing and selling oxytetracycline under the trade name imperacin. Its price to druggists for 100 250 mg. capsules was $5.55, one third of Pfizer's price. Since then Pfizer's price has dropped from $16.76 to $12.58. It must not be forgotten that Pfizer had the advantage of having the market for a period of 17 years and was known as the manufacturer of oxytetracycline.

In addition, these companies are protected by antiquated patent laws and patents which apply to the processing in Canada and by anti-dumping duties, prior to the budget earlier this month, which were based on class or kind imported into Canada. As I understand it, the word "class" has been eliminated and the duty is based now on kind only.

Manufacturers have a great deal of difficulty in acquiring a compulsory licence, and the initiator of a drug also has the advantage of new drug status for five years. There has been an actual example in history of a company which, having a compulsory licence applied for against it, in turn applied to be reinstated on a new drug status in order to protect itself against having a compulsory licence granted whereby another company could manufacture its drug. The idea of new drug status is to keep a drug under the control of the initial manufacturer so that any side effects can be reported and the food and drug directorate can take steps to remove the drug from the market, or whatever the case may be.

In order to ensure that drugs sell well and that the doctors are properly brainwashed by the brand name companies, these companies send detail men to doctors' offices in order to push the sale of their drugs. They do not really teach a doctor anything except the advantage of the taste of a drug, its colour, its size, and the brevity of the name of the drug they are pushing. Their second purpose is to disparage the use of generic drugs. They do not do this openly or overtly but nevertheless they give the doctor the feeling that any generic drug is second rate. The suggestion is that the doctor would not want to give his patient a second rate drug. Because doctors are very busy they are very vulnerable to such propaganda. It is easy to remember a trade name, and the doctor does not do the purchasing. The purchasing is done by the patient, so the price is of no real concern to the doctor.

• (3:10 p.m.)

At the same time the drug manufacturers, through the detail men, are providing the only form of continuing education that the doctors receive. The detail man brings the drug and the information right into the doctor's office. He brainwashes the doctor. He tells him that the only drug he should use is the one from his company. He does not tell the doctor anything about price nor does he suggest a price which should form the basis for competition. This leaves the doctor in the

position of being the agent of the drug manufacturers. He does not buy the drug himself but he receives the advantages, if any, of all the advertising and all the gimmicks. Yet it is the patient who spends the money.

I should like to refer again to the book known as "The Pill Conspiracy" in order to read two paragraphs which appear at page 156:

> The American companies took an intense interest in how the Italians could sell tetracycline anywhere near as good as the domestic brands for as little as $1.43 per one hundred.
>
> The American Cyanamid Co., parent of Lederle Laboratories, soon discovered that some Italian brands were not almost as good, they were precisely as good—because they were precise copies of its patented product. It had no legal recourse in Italy, which has no patent laws, so it started investigating to find out how the Italians obtained the mold cultures and production knowledge essential to duplicating achromycin.

This is the trade name under which they sell tetracycline.

In a recent issue of the *AFL-CIO News* of May 13 there is an article by Sidney Margolius. One sentence reads as follows:

> The F.D.A.—

The food and drug directorate in the United States.

> —pilot study reports that 7.7 per cent of drugs sold under generic names, which it had tested, and 8.8 per cent of those sold under brand names failed to meet acceptable potency standards.

In other words, 8.8 per cent of the brand name drugs were unacceptable and 7.7 per cent were unacceptable among the disparaged generic names which it is suggested it is inadvisable for the doctor to prescribe. These companies have a great deal of difficulty acquiring a compulsory licence. They cannot obtain a compulsory licence on imported manufactured products. Basically the price is much less.

There is another example involving a tranquillizer. We seem to be in an era of tranquillizers. If you are not in it you are not taking tranquillizers. Equanil, which is the brand name for meprobamate, sells to the patient for approximately $10 per 100. The brand name drug is purchasable for $6 per 1,000. Tetracycline here in Ottawa—and I made inquiries to ascertain this—can be purchased by the druggist for $2.50 per 100 whereas the previous price he was paying was $18 per 100.

There is a problem here in respect of drugs which are prescribed by a doctor in their generic form, because the druggist is able to dispense either the brand name drug or the generic name drug. If he is going to make 40 per cent on the sale, it naturally will pay him to dispense the most expensive drug he has. It has been my suggestion—there are drug stores across Canada which are doing this—that druggists should dispense on a cost plus a professional fee basis. I realize that this will make the very cheap drug a little more expensive for the patient but it will make the more expensive drug much cheaper and will stop the temptation of the retail druggist to dispense the most expensive brand he has in his store.

I should like to refer again to the book "The Pill Conspiracy":

> McKesson & Robbins put its generic tetracycline on the market at $6 per one hundred capsules—compared to $17.60 for the brand names—and the pharmacists of America promptly provided the public with an education as to their pricing practices.
>
> They had been selling the brand names at about $5.70 for 16, for a profit of almost exactly 100 per cent. When McKesson & Robbins cut the wholesale price 66 per cent the pharmacies reduced the retail price to $4.40 for 16, increasing their profit to almost 460 per cent!

So one can see the advantage of what I have just said. It is acutely necessary that druggists get into the habit of dispensing on the basis of cost plus a dispensing fee. I should like to cite one more example from this book:

> Senator Long found an even wider spread between the public and government prices for a reserpine brand named serpasil. As serpasil, he said, it cost the druggist $39.50 per one thousand. As reserpine, it costs the government 47 cents per one thousand. The cost to the patient is about $65, versus 47 cents that the government pays.

This is a large price spread. I do not see how the minister can do other than agree that there is a monopoly, a combine and almost everything there should not be so far as the P.M.A.C. group of manufacturers in this country are concerned.

Dr. Chapman, the director of the food and drug directorate of Canada, appeared before the committee and made the statement that generic drugs basically are just as good as name brand drugs. They have the protection of the new drug standards. The brand name companies maintain that if it is a brand name drug this means it is a quality drug. I suggest that the brand name does not mean quality. It is not a synonymous term. Quality is determined by how the drug is manufactured and not by the name which appears on the label or how pretty the bottle is.

• (3:20 p.m.)

There is one way that people can do something about lowering drug prices and that is by shopping for their prescriptions at various retail outlets. They will find a considerable difference in drug mark-ups at discount stores as a result of volume sales. The patient can also go to the doctor and ask for the generic name. The patient really has just one choice when he shops and that is the store to which he goes. If you go to buy a loaf of bread or a can of vegetables from a store you have two choices. You can go to whichever store you like and you can buy whichever brand you want, realizing that they are all expensive. In any event you have a double choice. With a prescription you have only one choice and that is as to which friendly neighbourhood drug store you take your prescription.

This means that we have a powerful moneyed group which is subsidized by the sick and partly by the doctors who are writing prescriptions because of the pressure exerted by this monopoly group. The expense of research is subsidized by the sick who can afford it the least.

I found out to my amazement that the P.M.A.C. did not like some of the things I have been saying, and I have proof of this fact in a letter I received about a month ago from the president of the P.M.A.C. I should like to put it on the record in sections and comment on them. It is from Dr. W. W. Wigle. Dr. Wigle was previously the president of the Canadian Medical Association and he was hired to try to add an air of decency to the Pharmaceutical Manufacturers Association. He starts off by saying:

Dear Dr. Howe:

As a physician I am amazed at the interpretation of your remarks printed in the Ottawa papers recently.

He referred to the interpretation of my remarks. Actually I said these things and there was no interpretation necessary. Today I believe I have made my point very clear so there is no need to interpret any of my remarks. They can be reported verbatim. The letter continues:

Having presented factual evidence to the parliamentary committee on which you served that the manufacturer's portion of the prescription dollar is 37½ per cent I cannot imagine how a reporter would get the impression that a reduction (or the complete elimination) of the manufacturer's portion could reduce the price by 75 per cent. We quoted from figures supplied by the pharmacists' association, not the P.M.A.C.

I made the statement that drug prices could be lowered by 75 per cent, but this outfit has the ability to twist figures around to make it look as though it is a charitable institution and that only 37½ cents could be taken off the drug dollar. But it does not stop to think or purposely avoids stating that there are different kinds of dollars. I would be very willing to let these people have 37½ per cent of my drug dollar but it would be a great deal less than the one they have in mind. Perhaps they should have 40 per cent of my dollar if they need the money, but each dollar would be a lot smaller and there would be fewer of them.

Government offices invariably purchase drugs from drug manufacturers on a tender basis and almost invariably they buy generic drugs. If drug stores were to work on a Canadian formulary basis under which drug companies submitted tenders to the drug stores it would be amazing how far the 100 per cent they have in mind would drop. In some cases it would drop to 10 per cent. In this way drugs would reach the drug stores much more cheaply and the stores would only have to carry one brand. This would eliminate about 30 per cent now being spent on the advertising done by the drug companies.

The Acting Chairman (Mr. Tardif): Order, please. I regret to inform the hon. member that his allotted time has now expired.

Some hon. Members: Carry on.

The Acting Chairman (Mr. Tardif): Does the hon. gentleman have the unanimous consent of the committee to continue?

Some hon. Members: Agreed.

Mr. Howe (Hamilton South): Thank you, Mr. Chairman and hon. members. I will not take too much longer and I did not realize I had already taken so much time.

As I was saying, if a formulary basis were adopted and drug stores had the choice of buying any one of a number of brand products which were all equal, the quality having been determined by the food and drug directorate of Canada, with the elimination of the need for the space to store 20 different brands and the elimination of the 30 cents of the prescription dollar spent on advertising directed to the doctors, I am sure drug prices could be reduced by 75 per cent. I disagree with these distorted figures of the P.M.A.C.

The next paragraph of this letter reads as follows:

I wonder if the thousands of dollars (and the thousands of hours of work) spent by our industry in preparing information for your committee was all

in vain. Did it fall on deaf ears? Do you accuse us of lying? It is impossible for me to understand your refusal to accept documented evidence.

Of the 37½ cents of each dollar that they claim to spend on drug research, only 2½ cents is actually spent on research, with 11½ cents being spent for promotion. As a result of all the money they claim they spend on research, there has not been a breakthrough in research in Canada in the last 15 years. Research in Canada is very small, even taking into account all the drug manufacturers and all the P.M.A.C. group, including the parent companies of all the subsidiaries. What these drug companies do is combine drugs and give them a different name. This gives them a new drug status and they are protected from compulsory licences for another five years.

Another thing these companies do is what is called molecular manipulation. They make a slight change in a product, possibly an antibiotic, and give it a different name. As a result they obtain a new patent which is good for another 17 years. This is the sort of thing they claim is costing so much money. They suggest that 2½ cents per drug dollar represents millions of dollars spent on research. That being the case, imagine how much is spent on promotion if 11½ cents per dollar is used for that purpose.

The last paragraph of this letter was of great interest to me. It states:

If your actions are designed to appeal to the voter, I wish you luck. If they are designed to increase your acceptability as a physician and scientist I doubt that you have impressed your colleagues in practice or academic circles or in industry.

I do not know whether that has any political connotations, but I am glad that he wishes me luck. The articles were published in Ottawa, not in Hamilton where my voters are. Is Dr. Wigle trying to say that my medical practice is going to be jeopardized in the future because I have spoken out frankly in an attempt to convey to the people of Canada the facts about the drug manufacturing hoax which exists in this country today? With particular reference to the brand name companies operating under the protective shield of the P.M.A.C., if what I said before was an attempt to solicit votes Dr. Wigle can certainly accuse me of this again because of what I have said today with greater emphasis.

I believe the government can reduce the cost of drugs by establishing compulsory licensing, particularly in respect of the importation of drugs. That was the basis of a recommendation of the committee. This would inject competition into the industry. At this time there is no competition among members of the P.M.A.C. and there is no competition outside that organization. A monopoly is being operated and these companies are thriving. How can you rationalize a 9,700 per cent mark-up? How can you rationalize the government buying something for 27 cents which is sold at 100 times that much to private individuals?

I believe that Canadians, particularly sick people, deserve protection from this form of profiteering. The sicker a person is, the more drugs and money he needs. The more drugs he needs, the less he can afford them and the less he can afford to pay for this terrible profiteering. The drug manufacturers have perpetrated on the doctors of this country a brainwashing job to convince them to prescribe their drugs so they can continue to make for themselves and their shareholders an immense profit. The only way we can lower the price of drugs in Canada is to inject competition into the industry. I ask the government sincerely to do something to solve this serious problem. The minister spoke with all sorts of idealistic terminology, which I appreciate. However, if there is any sincerity in this regard something must be done to lower the price of drugs, and I think that this can be done by legislation.

• (3:30 p.m.)

Mr. Olson: Mr. Chairman, in rising to participate briefly in this debate I want to say through you, sir, to the minister that he has perhaps more than any other minister a great responsibility in his department and the branches assigned to his ministry in improving and maintaining the free, competitive economic system that we have in Canada. He has, as has been pointed out, under his jurisdiction the Bankruptcy Act, the Combines Investigation Act, the corporations branch and the patents branch. Taking all these together, there are probably more abusive practices in the free, competitive economic system which can be dealt with by one or other of these branches than by any other department of government. I hope the minister realizes the tremendous responsibility that he has to see that these abuses are dealt with as they arise, so that we can maintain the kind of economic system that many of us in this house as well as throughout the country value so highly.

I shall speak only very briefly on one aspect of these estimates. It is one that has been discussed quite a lot this afternoon. I refer to

drugs and the monopoly that many of us believe exists in this industry. Whether it is a monopoly, a combine or whatever makes no difference; the fact is that the result, in our opinion, is a far higher price structure at the consumer level than is necessary. The main question I want to pose to the minister this afternoon is: Why do we not take some action in respect of the many recommendations that have been made, not only by members of this house but by competent firms which have been retained by the governments of many provinces to carry out studies in this area?

There is no lack of evidence before this house in the form of findings and recommendations with regard to what the government ought to do and what action it ought to take to change some of our laws and effect a lowering of drug prices. We have, as the hon. member for Hamilton South pointed out, the submission of the government of Alberta which I think was excellent, although I was at the committee for only a limited number of hearings. The hon. member for Hamilton South was a member of the committee during all its hearings.

A large number of those recommendations were accepted by the committee and included in their report. That report has been before the government for quite a long time. We appreciate that when bringing down the budget the Minister of Finance announced he was going to remove the 12 per cent sales tax on drugs. He also mentioned that some of his colleagues would be introducing legislation to take care of some of the other recommendations. So far that is all we have. I should like the minister to know that his announcement has not changed the price of drugs very much. In fact, it has not changed the price of drugs at all. The fact is, if the rumours we hear are true, that it has increased the price of drugs until September 1, and they were too high before. I should like to refer the minister to one paragraph of the report of the committee; which can be found in *Votes and Proceedings* at page 1641:

> Both the drug manufacturers and retail pharmacists offered the opinion before the committee that the benefits of a reduction in sales tax would be passed along to the consumer.

What a hope. However, Mr. Chairman, the committee was not quite as naïve as would appear from that statement. The report says further:

> However, the committee concludes that, without more effective operation of competitive forces than presently exists in the drug industry in Canada, the only certain result from removal of the tax would be a reduction in costs to the manufacturers.

What appears to have happened thus far is that rather than reducing the price by 12 per cent even at the manufacturers' level, the pharmacists and manufacturers have indicated that there might be an 8 per cent reduction or maybe a 5 per cent reduction in price. But they do not define on what that reduction will be based. Will it be on the basis of the prices that prevailed prior to the minister's statement in the house or will it be based on the prices in effect on September 1 when the sales tax will be removed? It certainly does not add up to very much benefit to the consumer if between June 1, when the Minister of Finance brought down his budget, and September 1—a period of three months—they raise the price by as much as they intend reducing it. There is, therefore, no reduction at all to the consumer.

I wonder whether the minister and his department are taking into account what the Pharmaceutical Manufacturers' Association, and perhaps even the local pharmacists, are doing to the price of drugs in the intervening period. It seems to me to be most unfair that we should give the local pharmacists, and perhaps the wholesale distributors of drugs, a three months' period to protect themselves against a loss in the value of their inventory, if they are allowed to nullify the minister's intention in this way. In my opinion this is not keeping faith with the intent of the minister's announcement and it is certainly not doing what is just.

The Minister of Finance could have reduced the price of drugs by withdrawing the sales tax at once, effective June 1 when he made the statement. But he did not. The reason he gave for not doing so was to allow a period in which the drug manufacturers could protect the value of their inventories. Now they are flying right in the face of that very reasonable action and are in the meantime raising their prices. The net price after September 1 will be no lower than it is today. In my opinion this is a disgraceful attitude for the pharmaceutical manufacturers and distributors to take. It seems to me it is not in keeping with the spirit or intent of the minister's announcement.

I intended to deal at some length with the summary of recommendations of the government of the province of Alberta, which is to be found in chapter V of their brief. I also intended to deal with the recommendations of the committee which can be found at page 1664 of *Votes and Proceedings*. However, the hon. member for Hamilton South has dealt

with that matter and pressed for action in this regard. Therefore all I wish to say is that we believe we need action, and it is within the jurisdiction of this minister to take action, in respect of such things as compulsory licences for the importation of drugs. There is also the matter of the Patent Act. Amendments should be introduced so that the burden of proof in respect of any infringement of drug prices and patents would be on the plaintiff. Action in this field is long overdue but, as I said, I will not go into the matter any further because we have just heard about it. However, we would like the minister to tell us when we can expect some action which will result in a reduction of price at the retail and consumer level. So far this has not been evident.

• (3:40 p.m.)

I also want to say that I do not believe that changing the law respecting compulsory licences, or amendments to regulations or even the Patent Act, nor for that matter changes with regard to duties and regulations respecting dumping, will completely solve the problem and reduce the prices of drugs to a fair and reasonable level. I say that because it appears to me there is such a large integrated combine involved in the manufacture and distribution of drugs that simply to change some of these laws without adding an element of competition will not solve the whole problem.

I can give the committee some examples. I have some personal knowledge of retail practices with regard to veterinary drugs. I know that not so long ago when the feed stores began to sell veterinary medicines in larger amounts there was a significant decline in the price of these drugs. For example, a few years ago, around 1958, penicillin was selling in a 10 c.c. vial for $1.00. About 18 months after the feed stores and other livestock supply stores began retail sales of penicillin in 10 c.c. vials the price went down to 25 cents a vial and they were still making a profit of 20 to 25 per cent on the cost. Penicillin and streptomycin were selling at $1.50 to $2.25 for 10 c.c. vial, but within a very few months after they were made available for distribution in local feed stores the retail price went down to 60 cents in 100 c.c. vials and 39 cents for 10 c.c.

Vaccine for cattle was selling in local pharmacies at a list price of 35 cents a dose for what is commonly referred to as a three-way vaccine, that is, vaccine for partial immunization against blackleg, malignant edema and septicemia. Within a short time after large scale distribution of this vaccine was made available through the local feed stores its price went down to 18 cents a dose. The price of two-way vaccine was reduced from around 18 cents a dose to less than 10 cents a dose. This vaccine is for the immunization against blackleg and malignant edema.

The same pattern is evident throughout the whole list of veterinary medicines, such as antibiotics. The hon. member for Hamilton South spoke about oxytetracycline. This drug is used extensively in veterinary medicine. Before it was made available to the local feed stores the price of this drug was two or three times higher than what these stores demand now. Such drugs as aureomycin and other types of antibiotics were reduced by as much as 70 to 80 per cent as soon as additional competition was developed at the retail level.

I am not suggesting that the local pharmacists were in fact able to reduce their prices but that pressures were exerted by the local feed stores in dealing with the wholesalers. We who were dealing in livestock supplies in Medicine Hat and Lethbridge were very much involved in this. As soon as the prices started to come down to somewhere around a 20 or 25 per cent mark-up these people were able to negotiate new prices with the wholesalers and thus were able to reduce their own prices which have remained at the lower level. The feed stores did not find it necessary to revert to the higher prices. This was not distress selling but simply a reduction of the price in line with a reasonable mark-up over the cost of production and distribution. We believe this is a sound, sane and just basis for setting a price on drugs rather than the way in which it is done now by monopolies through restrictive trade practices which dictate the price of drugs rather than basing them on the cost of their production and distribution.

I admit that there are some drugs even in the veterinary field which should not be handled by untrained or non-professional people. However, the reason I think there is a greater need for competition in this field can be illustrated by the following example. Another drug which was available to the local feed stores is called dyethylstilbestrol. Its use involves some danger. It is a synthetic sex hormone and there is some danger in its indiscriminate distribution. However, as long as these feed stores were selling it, its price was somewhere around 85 cents for a 10c.c. vial. The province of Alberta decided, quite properly, and I believe other provinces did also, that this is one drug which non-professional

people should not handle. The sale of this drug by local feed stores was therefore prohibited. What happened then? The price of the drug in injectable form gradually doubled.

I fully appreciate that drugs for humans should be handled solely by professional people so far as their retail distribution is concerned, even those that are completely fabricated in manufacturing plants. I know there is a danger in the misuse of these drugs if they are not handled by professional people who can give advice to the customer and consumer at the time of sale. However, I believe sincerely that something more should be done than the removal of the sales tax and changes in laws respecting licences, patents and tariffs. This matter may not fall within the ambit of this minister nor may it even be within the jurisdiction of the federal government but I am convinced, having knowledge of the widespread and complex nature of the drug combine, that we need more competition.

I wonder whether it would not be proper for hospital pharmacies to enter into the business of filling prescription drugs directly for the consumer regardless of whether the patient is in the hospital. I know that even today some of the local pharmacists complain that hospital pharmacies are able to buy a large number of drugs at a lower price than they can. This is one of the reasons that they are unable to come even close to the price that is charged to the hospital pharmacies. Who is responsible for that? Is it the manufacturers or the wholesale distributors? It does not make any difference to me who is responsible for the different price structure, the disparity between wholesale prices charged to the local drug stores and the hospital pharmacies. The fact is that the price should be based on the cost of production of the drug plus the cost of distribution, and nothing else. If the combine in the drug manufacturing and marketing business is not willing to make the changes that are necessary to reduce these prices to a reasonable level, then I believe we should take some action to set up a government agency for the distribution of these drugs.

Of course many of the provinces at the present time operate the hospital pharmacies. This could be one of the first steps. There was a time in the province of Alberta many years ago when it was felt that the price of automobile and fire insurance was exorbitant. It was too high and there was no justification for it. Therefore the province of Alberta set up an insurance company. Nobody had to buy insurance from the company but at least it was made available. The day that the company opened its office all of the insurance companies in the province found it expedient to reduce their premiums by 20 per cent. I think that some such step is required so as to shake up this industry and make it act reasonably.

• (3:50 p.m.)

I should like to close, Mr. Chairman, by suggesting to the minister that he get on with the task of bringing in these changes for which his department is responsible as quickly as possible. I suggest we carry out not an intensive survey but a review of the price of drugs at the retail level. If a reduction in the enormous mark-ups to which reference has been made in the committee reports and also by the hon. member for Hamilton South and the hon. member for Bow River today is not brought about, then I suggest we take further action to make sure that we are not going to have to pay these artificial prices for an interminable period into the future. I wish the minister well in making the changes which I am sure he intends to recommend to his colleagues, and I hope that he will be prepared to co-operate with the provincial governments and all those responsible so as to make absolutely certain that when our laws and regulations are revised the result will be lower prices on drugs for the consumer.

[*Translation*]

Mr. Isabelle: Mr. Chairman, I decided to say only a few words on this subject, since the hon. member for Hamilton South (Mr. Howe), has already put forward very convincing arguments, summarizing somewhat the investigation of the committee on drug costs and prices in which we both took part some time ago and whose report was published just recently.

However, I should like to point out to the house that if we indicated in the report the policy to be followed, the federal government will surely not be able, even by amending certain pieces of legislation, to reduce the price of drugs before the provinces amend certain statutes, so that consumers are required to pay less for drugs.

Now, among the several recommendations of the committee, there is one especially that has perhaps been overlooked. It is recommendation 16 which reads as follows:

That the Canadian Pharmaceutical Association and all Provincial Pharmaceutical Associations, Faculties of Pharmacy and the Provincial governments should meet to discuss the practice of pharmacy in Canada, bearing in mind the following matters:

I shall spare you the rest. The most important one is that there should be interprovincial conferences grouping the various pharmacist and medical associations.

I should like to point out an extremely important matter, which may have gone unnoticed until now, that of the national suicide of the pharmacist profession in Canada. Indeed, if the profession does not revise its stand immediately, or as soon as possible, I am sure it will destroy itself and, before it does, drug prices will have poared.

In its recommendation No. 16, as I have said before, the committee suggests that the pharmacist associations meet, hold a round table conference, with a view to amending their laws or revising them in such a way as to provide for the setting up of a school to train technicians to assist the pharmacists. According to the law, there must be a graduate pharmacist in a drugstore to fill out prescriptions, and this means that pharmacists have to be on the job from morning till night, six days a week.

In such circumstances, I am sure no one wants to spend a whole lifetime in such a profession. But the pharmacist who owns a drugstore faces the dilemma of having to close his drugstore from time to time, or having to hire pharmacists who are not owners of drugstores, for $400 or $500 a week. This, of course, would cause the cost of drugs to rise considerably.

We know that it is one profession without technical assistants to help it. We know the doctors can count on the nurses. Radiologists have their technicians and the architects their draftsmen. These professionals can always count on someone to help them and for whom they are responsible.

• (4:00 p.m.)

In the field of pharmacy, the druggists are the only ones to fulfil this duty and they cannot delegate their responsibilities to others, because there are no schools giving special courses that could be followed by assistants wishing to help the pharmacists.

In view of the shortage of pharmacists today, existing legislation is to be implemented in the province of Quebec starting November 1, 1967 and I repeat that this will be suicidal for the pharmacist profession throughout Canada, since it will discourage the young people who will be facing a very difficult job and who will want to get away from this profession forever, because they are not interested in taking part in a suicide marathon.

Therefore, I appeal to pharmaceutical associations throughout Canada as well as to pharmacists associations to bring pressure on their respective bodies for the purpose of amending that legislation which, I am sure, will be a national suicide for the pharmacist profession.

Although we have been the target of acid barbs, the fact remains that the recent report on drug costs is one of the best reports there is, as far as assistance to consumers is concerned, because Heaven knows that the use of pills is great in this fast-changing world, which no longer has time to stop and think and even less to eat, because use is now being made of substitutes, of the famous vitamin pills.

In concluding my remarks, Mr. Chairman, I wish to draw attention to the fact that the report on drug costs may require certain departments to consider amending certain legislation, but I do think that its basic purpose is to make sure that provinces, the associations and everybody will co-operate in order to bring about a change, within their respective fields, in what must be changed and in what the federal government does not have the jurisdiction to change. That is the only way we can bring about a real decrease in the costs of drugs.

It is useless to make speeches, or to say that drugs cost a lot in Canada. I believe that the price may be a little higher than it should be, but I do think from our investigation that the price of drugs is high in all countries.

Since it is one of the necessities of life, I think that those organizations have a greater responsibility than the federal government since, strictly speaking, it comes under provincial jurisdiction or of their college. It is up to them to start working first, and the federal government, I am sure, will follow suit, and make changes as may be necessary in the anti-combine legislation or the patents legislation or any other federal field.

It is absolutely certain that if we do not move towards a new ideology, mainly in the field of pharmacy, in order to change a little what is a century old, in the field of pharmacy as well as medicine, we will get nowhere, and any change which the federal government might make in that field will be of no avail. There will always be profiteers along the line who will benefit from the legislation by getting around it because if any particular group, such as the pharmacist association for instance, does not attend to its own business, absolutely nothing will be achieved and the price of drugs will keep climbing.

This is the very modest contribution I wanted to make; it is a simple warning to the College of pharmacists of Canada, to assume its responsibilities. For instance, I know that in the riding of Halton represented by the cha rman of the committee on drug costs and prices (Mr. Harley), a druggist being ill, his drug-store had to be closed because there was nobody to replace him.

Therefore, part of the Canadian people have to suffer because we apply an antiquated legislation which provides that a pharmacist must be present in the drug-store throughout the day to make up prescriptions. It shows that if we must allow part of the population to suffer, our legislation is deficient. If our legislation is deficient, it means that the Ontario College of Pharmacists Act is deficient as much as that of the Quebec College and that the colleges should be subject to reform because, in my opinion, that is the true basis, the true subject matter of all the very interesting discussions heard this afternoon from my colleagues. I am sure that if those colleges are conscientious enough to adopt all the proposed regulations, the rest will follow very easily.

It is said that the price of drugs is too high; it might be true. They are an essential need, as I said earlier, but there are many other areas where consumer prices should be investigated. However, that one is important because it affects the sick. When they are without any income, in short when they are bed-ridden and no one looks after them, they do not always have the money needed to have a prescription filled at the drug-store, and I am sure that those mainly responsible for that are the associations and colleges of pharmacists throughout Canada. As I said and as I will always say, they are the ones who have the key, the power, who authorize druggists to practise pharmacy as they now do in Canada.

[*English*]

Mr. Danforth: Mr. Chairman, I had no difficulty in following with great interest the minister's speech today. As a matter of fact I was greatly impressed with the tremendous amount of verbiage, the beautiful phraseology and the descriptive words which were used in their most potent form to convey correct connotations. I wish to congratulate personally the artists who were responsible for the drafting of the speech. The minister shows, by the quiet dignity with which he delivered the speech, that he is a professional salesman. Were we not accustomed to searching deeply into the intent of such speeches we could have been lulled into a sense of security. On analysing the minister's speech of this morning one quickly realizes that the minister has become adept in his portfolio. His speech had more loopholes than one would find in the most extensive rabbit warren.

Various speakers from different parties today dealt with different aspects of the minister's portfolio. They emphasized the failure of some major financial institutions and the work of the committee that investigated drug prices in Canada. What the committee did shows, really, that various consumer groups across the country worked hard to uncover information. The government cannot take the credit for setting up the joint committee of the Senate and House of Commons to look into drug costs. That step was taken as a result of the publicity and pressure that was exerted by various groups of ladies across the country. I wish to commend those ladies for their efforts. What they did will serve more than one purpose. Not only did their efforts bring to the attention of members of parliament the fact that in certain consumer fields exorbitant prices were being charged, but those efforts enabled the consumer groups in the presentation of the briefs to gain a better understanding of the workings of standing committees of parliament. The ladies saw that not only was the committee interested in their problem, but also what must be the proper approach to a democratic government to attain redress for what they felt was a real grievance. They performed a real service to the country when they took time out from their busy lives to investigate, store by store and chain by chain, the differences in prices, also when they began in an earnest and direct manner to trace the basis for such differences and why there should be price increases from time to time. I am certain that Sherlock Holmes would have taken his hat off to the zeal and methods of the participants in the pursuit of their worth-while cause.

We tend to overlook the fact that though drugs and food are important, they play a part only in the consumer price index. The consumer protests were not only about food and drugs but about the prices of furniture, automobiles, new homes and the tremendously spiralling cost of land. The consumers dealt with all the goods and services our modern life demands. As I say, that is what the consumer groups were interested in. As a result of their work and as the result of the arrangements and sincere efforts of the standing committee the minister today got up and intimated that something, at last, will be done.

He said that the government is considering seriously something that is outlined in the speech from the throne, setting up a department that would deal exclusively with consumer affairs. He told us that corporations, since they are so directly affected, would be included among the responsibilities of this department.

• (4:10 p.m.)

I believe many people in Canada today are much concerned at the tendency of this government to set up a task force, or a royal commission, or to develop a new department of government whenever a problem is referred to. The net result is to increase the tax burden borne by the people of Canada. I wonder whether the people of this country who are responsible for bringing this question to the attention of the government are really desirous of seeing a separate department set up under a minister. Is this what we want; or do they only want action to be taken by the government to make sure they will not be victimized by various sections of the retail industry which charge exorbitant prices? Would they not be satisfied if the desired result could be produced by an educational program, for instance, or by the enforcement of regulations which are designed to protect the consumer against the practices about which he is complaining?

When I had the honour to be president of the fruit and vegetables growers organization of the province of Ontario we were much concerned because consumers were being induced to buy imported products to the detriment of those grown locally. One of the methods we used to combat this situation was an educational program. A radio program was set up in Ontario called, I believe, "The Market Basket". Each and every day a hired professional shopper would announce to the housewives of Ontario the availability of locally grown produce at prices which represented a real economy to housewives. It was not long before favourable comments began to come in by the hundreds. This service was provided long after I had left office as president; I am not sure how long it continued. But it was educational, and it provided a service. Why not make readily available to housewives and shoppers information telling them how and why to buy Canadian meat, how and why to buy Canadian vegetables, how to understand the various grades and qualities, how to buy furniture, whether to buy a new automobile as opposed to an old one, where the best value is to be found in new homes, and what means of financing are most advantageous? Publications in these fields are for the most part already available. I have seen some of them and they go into great detail.

The most of making this information easily accessible to the housewives of this nation might run into hundreds of thousands of dollars when allowance is made for distribution, but even so I suggest it would prove far more economic than the setting up of a brand new department under a separate minister. I believe the minister today quoted a provisional figure of $1 million. Am I wrong?

Mr. Turner: No. The expenditures of the department as it now exists are $1.2 million.

Mr. Danforth: Thank you. It is my contention that if information of this kind were made available to housewives, particularly new housewives, there might be no need for such drastic action on the part of the government as is now proposed. I was much concerned about what the minister had to say with regard to certain aspects of this new department. He spoke at length of what it could not do, and I admire him for his honesty and frankness. He also told us what the department would not do—rightly so, in my opinion. He emphasized that it was the government's desire to interfere as little as possible with the normal course of business.

On the other hand, the setting up of a new government department in this field could have no other effect than to intrude directly into the normal operations of business; and we have found, to our bitter experience, that any time government action interferes directly with the normal course of business the net result is an increase rather than a decrease in prices to the consumer.

I wonder whether the government has sufficiently explored the powers existing under present regulations in the various departments concerned. If these regulations were applied more strictly, perhaps the results outlined by the minister as being desirable could be obtained. It is possible that we already have adequate laws on our statute books to take care of the situation and it is also possible we already have the personnel capable of enforcing such regulations.

Having been closely associated with the fruit and vegetable industry, I will use my own experience as an example of what I have in mind. When I visit a supermarket or a general store I naturally find it of interest to visit the fruit and vegetable displays to note the latest methods of advertisement, display and sales approach. I think everyone will

agree that tremendous advances have been made in all three of these aspects, especially in the past five years or so.

• (4:20 p.m.)

Here again lack of knowledge on the part of the housewife tends to increase the price she has to pay. I have seen examples relating to bins of cucumbers, a product with which I am familiar. As you know, they are sold singly or in two's for prices varying from 12 cents to 30 cents each when they are out of season. Then, I have seen cucumbers in bins containing not only first grade but also second and third grades, and even cooking cucumbers. Anyone familiar with the industry knows that the price varies to a tremendous degree.

It is a simple matter to bring such a thing to the attention of an inspector who will visit the store and take the necessary course of action to remedy a given situation. However, in the busy day-by-day workings of a large chain store, with the myriad of workers it employs, inevitably there will be a mixing of grades. Unless the housewife is familiar with this and can lodge a complaint, she will pay an exorbitant price for a second or third class article. I say once more that it is a matter of education, a matter of know-how, and not so much one of regulation. Stores try to provide a service but they cannot achieve perfection. In this day and age this is impossible, especially in view of the tremendous tonnage of goods that go through stores each day.

In conclusion, Mr. Chairman, I emphasize once more that I am not taking a stand to say it is absolutely unnecessary to develop a consumer affairs department: I am not aware of enough facts at present in order to take such a position; but I would ask the government not to let itself be stampeded into hasty action. Neither should it sit and do nothing. The consumers want action that will allow them to buy more with their shrinking dollar. My sympathies are with them in this regard. This is the basis of their dissatisfaction with the economy of the nation. Their dollars are buying less. The government's immediate task is to show it is sincere in its desire to make consumers' dollars go further.

I am not certain that the setting up of a new department is the answer. It will cause delay. We who sit in parliament are well aware that if a new department is established the first thing it will do is appoint a task force to make an investigation of the problem, and to see whether the points brought out by the standing committee are factual. This will result in many months delay. Therefore I would like the government to consider seriously some of the alternate methods I have proposed, to see if they have merit and will achieve the results that we and the consumers want.

This is a difficult subject. We cannot supply all the answers, but if we could show the consumers that we are aware of their problem and are willing to do something constructive about it, they will be satisfied that we are sincere and we ourselves will feel that we are doing something for the benefit of the people of the nation.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I first want to express appreciation of the new Registrar General who this morning outlined the work of his department in a very competent manner. We all hope for great things from this department. We are certainly glad to have a person of his youth, vigour, aggressiveness, ambition and many other qualifications in charge of it. It is precisely because of all these things, and because so much is hoped for from this department, that I am going to have some very blunt things to say this afternoon.

My fear is exactly the reverse of that of the hon. member for Kent (Ont.), who has just spoken. Apparently he is worrying lest the government go all out to create a department of consumer affairs. My fear is that the department of consumer affairs will remain a small etc. tacked on to the already overfilled Department of the Registrar General.

In order to allay the fear of the hon. member for Kent (Ont.), and to show the grounds for my own fear, I would point out that when the minister spoke this morning during his initial allotted 30 minutes he dealt with the Bankruptcy Act, the Corporations Act, the securities field, patents, copyright and trademarks. He gave only a tiny bow to the idea of establishing a consumer affairs section in his department. Then he got the indulgence of the committee to extend his speaking time, but even at that he spent only a matter of ten minutes on the whole field of consumer affairs. Therefore I believe the hon. member for Kent (Ont.), is unjustifiably afraid of the likelihood of there being established a new department to protect the affairs of consumers.

I am anxious to speak about this while the matter is still reasonably flexible. Last fall it was stated that the new department would look after bankruptcy matters, the Corporations Act, the securities field, and would draft legislation for the protection of the consumer.

That was tagged on as a bit of an etc. during reorganization of the department.

I believe that what has happened in the interim should convince the government to go ahead and set up a full scale department of consumer affairs, with perhaps some other things tacked on to it. The hon. member for Kent (Ont.), has asked whether the consumers of this country want a plain department of consumer affairs, without corporations and all the rest added on to it? This morning the minister reasoned that in order to protect consumers, corporations have to be brought under the same department. I do not believe that for a minute, nor do consumers.

The prices committee had consumer organizations appear before it in Ottawa, and from Vancouver to Newfoundland. I did not hear one single consumer group that wanted anything other than a plain department of consumer affairs in order to protect the affairs of consumers. A former president of the Consumers Association of Canada, Mrs. Beryl Plumptre, put it very plainly when she said the affairs of such a department must be in the hands of consumer oriented personnel.

• (4:30 p.m.)

There is no doubt that there is a new idea which has been put forward in this country; that is, that even as there are departments for agriculture, fisheries, industry, and so on, the time has come when there should be one single department for no other purpose than to look after the interests of the whole population in its role as a consumer. I have said this before, but I should like to say again that I do not think we should drag the corporations into the consumers department, or vice versa. One might say that the corporations were there first—and they were, in respect of this department. However, to mix the consumers and the corporations in one department is simply the same as trying to have the lion and the lamb live peacefully together. This may happen in Utopia, but in our society if we were to invite the lion and the lamb to live together in one pen there would be one result: The lamb would lie securely inside the lion, and this would be a happy situation from the lion's point of view.

I do not think the consumers across this country want to see this kind of thing repeated. This afternoon we heard about the situation in respect of one field involving the consumers, that is the drug field. This is a field which is very close to the consumer. I believe this again indicates the need for a department, the sole purpose of which is to look after the well-being and the affairs of the consumers, a department which would study ways to protect the rights of the consumers and their ability to live well.

[Mrs. MacInnis (Vancouver-Kingsway).]

I certainly believe in consumer education. I believe the recommendation as to prices was one of the strongest recommendations which was made by the joint committee on consumer credit. We recommended that a department of consumer affairs should set up in prime time on television, and in other forms of publicity programs, for the consumer. These programs should be designed so that they would acquaint the consumers with the facts about good buying habits, bargains, and so on.

I should like to emphasize, however, that education is not enough. We must have action. This department must have teeth, so that it will be in a position to protect the consumer. If we were to suggest that everything should be left to education, this would be the same as suggesting that in respect of highway safety we should scrap all the traffic lights, the traffic courts, the system of fines and the other methods used for the protection of traffic on the highway. The consumer, in respect of food, clothing and the other essentials, is in exactly the same position as the pedestrian.

During the hearings before the committee we found that in this world today we are not in the cracker barrel age to which many people in this house too often give allegiance. It is not a nice place, where there are a lot of little stores and businesses competing against each other; nor is it a place where the results are for the good of the little businesses and the public as a whole.

We found that in the field of food production and distribution—corn flakes, meat products, soap, and so on—what we have in Canada today in each one of these lines of food and other products is a situation where these items are divided between two, three or four great, big firms. They divide the major share of this among themselves. They use every one of the promotional arts to the extent that they can afford them in order to get a larger share of the business and make the consumers pay for the additional cost of doing.

It makes me weary to hear people talk about the free competitive society in which we are living. The net and logical result of this type of thing is a situation such as we have in respect of the Weston interests. During the committee hearings, when we

heard the story of the Weston chain we realized that the logical end of this fierce, free competition, buttressed by advertising and promotion, is monopoly, a situation in which the small businesses are driven out and in which the consumer is driven away because of her own helplessness, weakness and disorganization in the face of the most tightly organized system of obtaining goods and services that could be devised.

This is the situation which faces the Registrar General. I do not envy him his task of trying to cope with it, if indeed he does try to cope with it. I know he has the energy and the ability to do it, if he will, but I wonder whether we are going to see a St. Lawrence-St. George start out to combat the dragon of high prices and monopoly which stands in the way of the consumers, or are we going to see the sort of pale shadow—younger, of course, but equally pale for all that—that we saw in the person of his political progenitor, Mr. Mackenzie King, who, although he did not say "persuasion if necessary but not necessary persuasion", did say "conscription if necessary but not necessarily conscription". In any case, he did not say clearly definitely what he meant.

I hope we do not see that again. If this minister really is interested in surviving in the annals of Canada, he will go out and take advantage of this heaven sent opportunity to be the champion of the consumers across this country in the face of something which they themselves are quite powerless to handle, no matter how well organized they may be.

There is no need for some hon. members to think this is so hopeless that they might as well laugh as cry about it. This sort of thing must be handled in Canada. In our recommendations we made certain far reaching and excellent points, to which all of us subscribe. Our major recommendation was the idea of this department of consumer affairs, uncluttered by these other things around the edges of it, which unfortunately make up the lion's share of that department. That was our main recommendation.

I was glad this morning to hear the minister say—I cannot quote him because I have not seen his speech—that there would be studies made of the lower income group with a view to seeing what could be done to help give them access to a decent standard of living. As I say, I was glad to hear that because, Mr. Minister, I was afraid that you might be hanging on to the idea that if you leave the free competitive market untrammelled it would add up to the greatest good for the greatest number.

I am glad to see that the minister has moved far enough ahead that he knows there are groups in our society who, through no fault of their own, are not in a position to earn enough money to obtain the food, clothing, and so on, which they need in order to be able to have a reasonable standard of living. I was very glad indeed to hear him say that consideration will be given to this type of thing.

In respect of the Combines Investigation Act the committee made the following recommendation:

> 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.

● (4:40 p.m.)

I should like to ask the minister, if and when we have a continuation of this debate and set this up as another link to his department, whether that study of concentration in the food retailing industry in Canada, under the auspices of the Combines Investigation Act, is going to be resumed. This would be a step in the right direction, to deal with these monopolies or near monopolies which are sucking the life out of so many consumers today. I want to ask about some other things, and I believe this is the time to ask about the minister's policy and what he intends to do. I hope he will not adopt the habit of the Prime Minister of telling us that some board or another is looking into the situation. When some day this minister becomes prime minister, if he does, times will have changed, and he should be very careful to avoid doing those things that people are criticizing today. You know what Marshall McLuhan says about politicians: He says that far too often they give the answers of yesterday to the problems of today. If the minister is planning a long political career he should attempt to get the answers at least of today. I think he would be better advised to look for the answers that will be required tomorrow. If he shoots for those answers he will find it difficult enough to get them. It is difficult enough to get answers today from that group with which he is sitting.

Mr. Knowles: Including the one alongside him.

Mrs. MacInnis (Vancouver-Kingsway): What is the minister going to do to protect the consumer? I hope he does not copy the Prime Minister. Every time we ask what is going to be done to protect the consumer we are told that the Economic Council is going to make a report. The Economic Council can give advice and information, but let us not fool ourselves: Government policy is set by the cabinet. Now that the B.N.A. Act is getting a bit shabby and weak in spots I think we should look forward rather than backwards. Let us stop using the Economic Council as a new shield behind which we can nimbly jump and hide. This is what the government has been doing with the B.N.A. Act every time it finds itself in an uncomfortable position and does not want to make a decision. I do not think we should wait, as was hinted by the minister, for an Economic Council report. I want the minister to tell us what he is going to do to protect the consumer.

I have already referred to an investigation under the Combines Investigation Act regarding concentration in the food manufacturing industry. Is the minister going to see to it that this investigation is resumed, with a view to bringing out the facts about this situation? The people of Canada want to know what is being done, and they want an answer to this question. What is the minister going to do to obtain greater disclosure of the financial affairs of these large corporations? I hope he was doing something more than hinting when he indicated that he intended to see that there would be greater disclosures. I can take a hint but I would rather be told, even in a tiresome fashion, over and over again in plain English, what is to be done. I would like to see less beating around the bush.

What is the minister going to do about setting up a practices review board which will deal with all these abuses and gimmicks, such as trading stamps? Does he intend to go beyond what the committee felt was necessary? I refer to the setting up of a prices review board. One might say that the committee did not find a need in this regard, but let me suggest that there would not have been a reference in respect of the cost of food to the committee, had it not been for the tremendous agitation throughout this country about the increase in prices over the last 18 months.

The hon. member for Kent (Ont.), would not agree with me regarding many things I have said, but he did make it abundantly clear that the housewives across this country initiated this study because of a great deal of agitating about the cost of living. What is the minister going to do about a practices and prices review board? Such a board could hear grievances in respect of unjustifiable price increases. It could require manufacturers and others to justify any increase in price, just as has been suggested in connection with drugs. The cost of drugs in Canada is probably higher than anywhere else in the world and something should be done about this situation.

What is the minister going to do regarding legislation in respect of the federal incorporation for co-operatives? Please do not tell me that the Economic Council or some other branch of government is going to look after this. The committee made a recommendation in this regard and I do not know whether this comes within the minister's juridiction. I see that the minister is shaking his head. Does this not come under your department?

Mr. Turner: Perhaps I might just intervene. I believe I stated in this house in answer to a question asked by the hon. lady's leader, the hon. member for Burnaby-Coquitlam, that we are contemplating a federal act for co-operatives. We are currently examining the constitutional aspects of them. Provincial consultation will be required because all the provinces are not of the same mind. Because of the close relationship between such an act and various corporate aspects, certain amendments will have to be considered at the same time. I made a similar statement to the co-operative association two weeks ago.

Mrs. MacInnis (Vancouver-Kingsway): I am glad to hear that statement, and I hope action will not be too long in coming. I know about the roadblocks that can be put in the way of legislation. This legislation was asked for 60 years ago, and since then there have been task forces, white papers, commissions, boards and committees, and perhaps even the Economic Council had a hand in this, although I am not sure of that. Practically every roadblock imaginable has been put in the way.

I am not suggesting there are not difficulties because of provincial differences, but we have a minister who is well on the sunny side of 50—and I know that because I looked it up today, to make sure I was right. I hope he will use his energies and abilities to devise some way of protecting the Canadian consumer. The present government sits peacefully on its—laurels?—and agrees to meet with the provinces any time they want a meeting. I do

not think that is good enough. We should have a federal department who will come up with ideas which it will present to the provinces at a meeting here or at any other convenient location. Let us not stand on protocol. Let us get together and cut through all these difficulties. I do not believe that all the roadblocks have occurred as a result of provincial difficulties or responsibilities. What has been lacking is the will to do something for the consumer, and I believe that if there was such a will the ways and means could be found.

I do not intend to take much longer, but I should like to refer to an editorial regarding this minister which appeared in the Vancouver *Sun* on April 26 and which troubles me. It states in part:

> John Turner, the Liberal government's new Registrar General, has marked out a lot of work for himself and his new, expanding department. To fit its role of protecting Canadian consumers and investors, the department will have major legislation, whose main purpose, in the minister's own words, will be to see that the competitive forces of free enterprise have full sway.

That is not the main purpose so far as we in this party are concerned. We believe that the main purpose should be to see that the consumer of this country is protected. That is the first statement in this editorial that worries me. It then continues as follows:

> Outside of the government, people have been busy interpreting young Mr. Turner's role in various ways—some according to their hearts' desires.
>
> There are those who see his appointment as signalling a new and deeper plunge by government into business and investment.

One of those is the hon. member for Kent (Ont.) The editorial then states:

> Others have seen him as a budding price czar, holding a protective umbrella over the heads of Canadian housewives.

I do not know how anybody in his right mind could ever see the minister as a price czar holding a protective umbrella over the housewives of this country, particularly after his statement which made it abundantly clear that in his view prices do not come within the jurisdiction of this government.

Mr. Byrne: Hear, hear.

Mrs. MacInnis (Vancouver-Kingsway): I hope that applause is noted in *Hansard* because some day that hon. member may regret applauding at that particular stage.

• (4:50 p.m.)

The people of this country are anxious to see that these unconscionable prices are not allowed to run sky high with nothing being done about them. The article continues:

> If Mr. Turner has his way there'll be a tightening of bankruptcy regulations, and this will be all to the good.

I agree.

> There also will be stiff penalties for price fixing.

Again, good.

> Anti-combines legislation and staff will get a beefing.

Again, good.

> Mr. Turner's eyes are cast far afield in this connection. He would bring "service industries" under combines regulation and might take a look into the affairs of the National Hockey League and the Canadian Football League.

I think that investigating even those sports is necessary business. The article continues:

> But what has this to do with the price of eggs, the housewife may well ask. Wasn't this what the recent Senate-Commons probing was all about? The answer is that Mr. Turner believes the government has no responsibility for prices as such.

Mr. Woolliams: We want to get back to those nickel eggs.

Mrs. MacInnis (Vancouver-Kingsway): Just listen to this, and maybe you will change your mind:

> "We can't protect the consumer," he said in a recent interview. "We can only make sure he can protect himself." This, in Mr. Turner's view, will be made possible by furnishing both investor and housewife with information on which to make sound decisions.

That, Mr. Registrar General, is only half the problem. I agree that the consumer needs information in the world's worst way. The consumer knows that she is helpless today and far from knowledgeable in these matters. I suggest to the Registrar General that if his legislation is to be worth the paper it is printed on, it must be legislation to protect the consumer, legislation with teeth in it.

Mr. Woolliams: And regulations.

Mrs. MacInnis (Vancouver-Kingsway): Yes, regulations where they are necessary. We had from Ontario a comment about the new legislation introduced in that legislature. It was said it was very far from what was required to protect the consumer in that province. It was called a toothless wonder. I do not want to see another toothless wonder, or a toothless blunder in this House of Commons.

It is said that hell hath no fury like a woman scorned. I suggest to the minister that should he lull the consumers into believing that he is protecting them, under the cloak of doing little things for them while doing big

things for big business and protecting corporate affairs, and if he is spending his time on the corporate aspects of his department, he will consider that the saying, "Hell hath no fury like a woman scorned" is a vast understatement. When the embattled and organized consumers of this country descend about his ears or on the lawns of parliament hill, as did the farmers a couple of weeks ago, they will be armed with teeth, which we hope the minister will put into the legislation; they will come armed to the teeth. They will have those weapons which only women know how to use exceedingly well.

Mr. Prud'homme: Mr. Chairman, may I ask the hon. lady a question?

Mrs. MacInnis (Vancouver-Kingsway): Certainly.

Mr. Prud'homme: The hon. lady spoke about Mackenzie King having said, "Conscription if necessary, but not necessarily conscription." Can she tell me what the co-leader of Quebec, Mr. Cliche, meant when he said,

[*Translation*]

"socialization if necessary, but not necessarily socialization".

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I will try to give some explanations to the hon. member. We feel that socialization is a remedial tool. But it is only a tool; it is not always and unavoidably a principle.

If necessary, we use the socialization tool or the co-operation tool, namely the co-operative. When necessary, we use other tools, as I have been saying for many years, and I believe that Mr. Cliche had the same thought in mind when he spoke as he did.

[*English*]

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I am glad to have the opportunity to say a few words about those estimates.

The price of drugs and the increased prices of all commodities have been discussed at length. Since the matter of the famous bankruptcies in Canada, especially in Quebec, has been briefly dealt with, I shall only discuss or set out our present bankruptcy system.

I should like to bring justice face to face with bankruptcies. I do not know whether there is injustice within justice, but something is wrong, something is amiss, and justice is not serving its purpose nor achieving its aim. Justice is not at the service of the people. Justice helps to exploit the various public bodies or various companies in Canada.

So, if some people are to organize justice so as to make it just, they will have to take their responsibilities, because there is glaring injustice in the provisions of the Bankruptcy Act, and consequently in the field of fraudulent bankruptcies.

We cannot wait and let that social injustice remain any longer throughout Canada and, especially, in the province of Quebec.

The season of fat cows for the great fraudulent bankruptcy experts has come. This is the season in which business is thriving for those magnates of bankruptcies, for those great servants of finance or for those great people responsible for finance.

It is almost impossible to imagine the number of victims these crooks have been able to make for the past few years especially in the last four or five years.

By its size, by its solidarity, by the complexity of its organization, the racket of fraudulent bankruptcies has reached in our country such horrible, brutal and fantastic proportions that it may well throw all local trade into complete anarchy. The losses caused by these bankruptcies are enormous. Next to these gangsters we feel small, insignificant and lost before their atrocities.

These bandits who rub elbows with us, who thank us and crush us, have poisoned and altered trade to an incredible degree. For a lot of people, it is almost impossible to do business next to these people involved in fraudulent bankruptcies, who sell all kinds of merchandise at bargain prices, at ridiculous prices, who cut prices for years and years for those who deal honestly.

Mr. Knowles: Five o'clock.

Mr. Latulippe: Mr. Chairman, may I call it five o'clock?

[*English*]

The Chairman: Order. It being five o'clock, and in order that the house may proceed to the consideration of private members business, shall I rise, report progress and request leave to sit again later this day or the next sitting of the house, as the case may be?

Some hon. Members: Agreed.

Progress reported.

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

• (5:00 p.m.)

BAIL REFORM

MEASURE TO PRECLUDE UNNECESSARY DETENTION

Mr. Barry Mather (New Westminster) moved the second reading of Bill No. C-4, concerning reform of the bail system.

He said: Mr. Speaker, the purpose of the bill is to reform and improve the bail system of Canada. As is set forth in the explanatory notes of the bill, the measure aims—

—to asure that all persons, regardless of their financial status, shall not needlessly be detained pending their appearance to answer charges under acts of the Parliament of Canada, when detention serves neither the ends of justice nor the public interest.

This measure will permit poor people awaiting trial to be released without bond and will thus eliminate the arbitrary cruelty in the present bail system.

The no-bail release system established by this bill is limited to instances where the offence is not punishable by death or life imprisonment and in which the judge deems the defendant trustworthy.

The bill will also assure that persons convicted of crimes and infractions will receive credit for time spent in custody prior to trial against service of any sentence imposed by the court.

I intend to outline very briefly the detailed amendments proposed to the Criminal Code in line with the aim of this bill and also in line with the safeguarding of the powers of the court to compel the appearance of an accused. First however I would like to remind hon. members that the bill follows almost precisely the trail blazed last year in the United States when the President signed similar legislation into effect with these words:

It is a move to ensure that defendants are considered as individuals and not as dollar signs.

That our Canadian scales of justice are sometimes weighted not with mercy but with money has been apparent in the matter of before trial detention. A very detailed study of the situation was made in 1965 by M. L. Friedland of the faculty of law of the University of Toronto. I should like to quote briefly from the writings of Mr. Friedland. This is what he wrote:

In the setting of bail there is an undue preoccupation with its monetary aspects. The tragedy is that a large percentage of persons are unable to raise the bail that is set (two-thirds according to the Toronto study). The ability of the accused to marshal funds or property in advance determines whether he will be released and may have an effect on the outcome of his case.

The professional bondsmen and moneylenders operate more or less openly, and in my opinion their operations are open to criticism. Actually, the system does not do too much to ensure the appearance of the accused in court, and the people who lend the money reap substantial profits. Some accused, in order to raise the money, commit further offences while awaiting trial. The system tends to favour the professional criminal, who is more likely to know and be trusted by the professional bondsmen.

It seems to me that here is a field which requires reform. I would say that if money rather than character is not to determine justice, the accused should be released, if he is to be released at all, on his own recognizance, or, in appropriate cases, with recognizances by sureties in reasonable amounts recoverable if the accused fails to appear.

The bill which I am proposing as a means to meet and reform the existing bail system would make these specific changes in the Criminal Code, and I quote from the text of the bill:

...any person charged with an offence under an Act of the Parliament of Canada, other than an offence punishable by death or imprisonment for life, shall at his appearance in court, be ordered released pending trial on his personal recognizance or upon the execution of an unsecured appearance bond in an amount specified by the court, unless the judge determines, in the exercise of his discretion, that such a release will not reasonably assure the appearance of the person as required.

3. (1) When a judge makes such a determination, he shall, either in lieu of or in addition to the methods of release referred to in section 2, impose the first of the following conditions of release which will reasonably assure the appearance of the person for trial or, if no single condition gives that assurance, any of the combination of the following conditions:

(a) place the person in the custody of a designated person or organization agreeing to supervise him;

(b) place restrictions on the travel, association, or place of abode of the person during the period of release;

(c) require the execution of an appearance bond in a specified amount and the deposit in the registry of the court, in cash or other security as directed, of a sum not to exceed 10 per centum of the amount of the bond, such deposit to be returned upon the performance of the conditions of release;

(d) require the execution of a bail bond with sufficient solvent sureties, or the deposit of cash in lieu thereof; or

(e) impose any other condition deemed reasonably necessary to assure appearance as required, including a condition requiring that the person return to custody after specified hours.

Clause 4 of the bill reads:

Any time spent in custody at the prison, penitentiary, reformatory or jail previous to the pronouncing of the sentence shall be credited to any person convicted of an offence.

I believe, and I hope that hon. members will agree, that the proposed legislation gives the magistrate of the court adequate discretionary powers and powers to compel the appearance of the accused, while at the same time providing greater authority than is now the case for the court to judge the character rather than the money of the accused, in determining justice.

In conclusion I will say that failure to raise money should not be the reason for an accused remaining in custody. Deterrents against absconding should be vigilance of search, certainty of recapture and prosecution. It is my hope that the bill may find support and that hon. members may find sufficient merit in the subject matter of this proposal to refer it for more detailed discussion to the appropriate committee of the house, which might be the committee on justice and legal affairs.

Mr. Eldon M. Woolliams (Bow River): Would the hon. member answer one question at this stage. Can we take the bill to mean that there would be an absolute requirement on the magistrate or the judge to make an order for release on the conditions which the hon. member mentioned?

Mr. Mather: No, Mr. Speaker, I think it would give sufficient leeway and discretion so that no such requirement would have to be made.

Mr. Woolliams: May I ask the hon. member another question? I read in clause 2 of the bill the words: "Shall, at his appearance in court, be ordered". I wonder whether the hon. member gave some thought to these words.

• (5:10 p.m.)

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, Bill C-4 raises the question which has been in the minds of many lawyers and legislators for some time, about the justice of the bail system in this country. The hon. member for Rosedale (Mr. Macdonald) referred to this problem in some detail during the debate on the speech from the throne at the beginning of this session, and I am glad to see that the hon. member who is sponsoring this bill has taken up the challenge and has made a proposal to the house which will perhaps encourage early attention to this matter by the government.

The speech from the throne indicated that amendments to the Criminal Code would be proposed during this session. I hope that provisions relating to release pending trial will be part of these changes. The objectives sought by this bill can perhaps be accomplished largely, if not entirely, by amendment to the Criminal Code. It seems unnecessary to pass a separate bill, such as this one proposed by the hon. member. It is the practice under the Criminal Code in many areas of Canada, which is not as flexible as the hon. member would like nor as most commentators on this problem would like. The bill before the house, however, emphasises the desirability of release pending trial, and to this extent I think the bill serves a very useful purpose.

The Criminal Code is based on the principles of English law which recognize that, as a general rule, a person should retain his freedom pending a decision on any charge made against him. The author of the report to which my hon. friend referred, Professor M. L. Friedland of the University of Toronto, in a speech delivered to the John Howard Society of Kingston on February 22, 1966, pointed out that the concept of bail which he advocated is the one envisaged by the Criminal Code and the one presently in operation in England. Professor Friedland claimed that the practice in the administration of justice in the province of Ontario, or at least in Toronto where his study was undertaken, was "an undesirable and unjustified gloss on the traditional concept of bail". It may be, therefore, that little change in the Criminal Code is required and that what is required is extensive change in the practice of the local authorities in applying the terms of the Criminal Code.

I think that the hon. member who sponsored this bill did not go as far as the hon. member for Rosedale (Mr. Macdonald) went, because as reported at page 306 of *Hansard* for May 16 last there is a recommendation by the hon. member for Rosedale in these terms:

> 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.

What the sponsor of this bill does attempt to do is to put the emphasis on the release of prisoners rather than on their detention. The general effect of the present sections of the Criminal Code is that the court may release an accused on bail on his own recognizance with or without a deposit or with or without sureties. Aside from the special case of offences punishable by death or life imprisonment, the proposed bill would make it the general rule that an accused must be released without

having to find sureties or deposit money. Second, the conditions under which sureties, cash deposits or other restrictions could be imposed would be limited to the case where the judge considers that release without bail will not assure attendance of the accused at trial.

Certainly, Mr. Speaker, there have undoubtedly been abuses under the present system. It has been pointed out by the hon. member for Rosedale and by Professor Friedland that in far too many cases, certainly in the Toronto area and I assume elsewhere in Canada, proceedings under the Criminal Code too often are commenced by arrest rather than by summons.

In a submission to the Canadian Committee on Corrections the John Howard Society had this to say:

> The practice of allowing bail is obviously to put the accused at the least inconvience until his guilt or innocence is established. However, there is a crucial problem related to the establishing of the amount of bail. A bank robber might be willing to forfeit a large amount put up through the receipts of his crime whereas a $50 bond may be an impossibility for a maried man on a low income. Thus the poor, the homeless and the friendless may be discriminated against. If unable to face the economic and social distress of incarceration while awaiting trial the accused may borrow money for bail which might leave him without funds to retain a lawyer, putting him at an immediate disadvantage in court.
>
> The Society recommends: a much broader use of an accused's own recognizance; bail set at a minimum amount consistent with the likelihood of his appearing in court; consideration of the accused's economic situation in determining bail; use of bailbondsmen to be discouraged as the part payment put up by the accused is probably sufficient in itself; the establishment of an investigation bureau in large metropolitan areas, where the accused is not likely to be well known, to establish quickly his economic position.

Similar recommendations were made by the John Howard Society to the McRuer royal commission inquiry into civil rights in Ontario. In the Society's brief to the McRuer commission it said it might be argued that the practice with respect to bail negates the presumption of innocence until proven guilty, or to the contrary, that it supports this presumption by placing the defendant at the least inconvenience until he is proven guilty. The considerations which determine the granting of bail and the amount of surety should be based upon the probability that the defendant will appear in court to face trial, that he will not commit other offences while at liberty, that he will not intimidate witnesses and that he will not remove or destroy evidence. I suggest that all of these purposes can be served without resort to the practice that has been so common, particularly in the Toronto area, of placing undue emphasis on money as the basis for release from custody.

• (5:20 p.m.)

Professor Friedland, in speaking to the John Howard Society of Kingston said that detention before trial had been one of the most neglected areas in the whole administration of criminal justice. He pointed out that questions concerning bail and custody arise only where the accused is arrested rather than summonsed. He reported that the overwhelming majority of accused persons in Toronto who had been charged with criminal offences were arrested rather than summonsed. The authorities in Toronto have attempted to correct this situation, but perhaps an amendment to the Criminal Code along the lines suggested by the sponsor of the bill and the hon. member for Rosedale would encourage that process of reform.

I think that the sponsor's proposal, for the committee on justice and legal affairs to study this problem, is reasonable. There should be an examination of the other side of the coin. The association of police chiefs should be given an opportunity to make representations to members of parliament so that the difficulties, as seen by the police, can be explored. Members of the legal profession and other interested groups should be given an opportunity to express their opinions. It seems to me that this problem ought to be attacked by parliament in this session if possible, and when changes are introduced in the Criminal Code I hope that bail will be one of the subjects of change.

I wish to quote briefly from an editorial in the Toronto *Daily Star* of April 28, 1967, which seems to put the problem as well as I have seen it put by any speaker or writer. In saying what it did the *Star* referred to something which affected constituents of mine. It said:

> The futility of the bail system in Canadian courts was perfectly illustrated by the case of James Royal here this week.
>
> Royal was charged with rape, and committed for trial in the Supreme Court. Bail was fixed at $3,000. A friend of Royal's persuaded a Scarborough couple to post it for him, although they did not know the accused.
>
> Royal failed to appear for trial, and has apparently left the province. His bail was accordingly forfeited. Chief Justice Gale reduced the forfeiture, but the Scarborough couple will still have to pay $2,000.
>
> What purpose did this whole procedure serve?

The posting of $3,000 did not prevent Royal from fleeing the jurisdiction. It will not make it any easier to track him down and arrest him.

The only effect has been to subject a couple, whose sole offence was to be too trusting, to a heavy penalty.

Yet at the same time many people who are charged with much less serious offences and who have no intention or likelihood of fleeing to escape trial, are kept in jail, sometimes for months, because they or their relatives cannot raise the required cash or property bail.

Would it not be simpler and better, when a man is committed for trial, for the magistrate to consider whether he can safely release the defendant on his own recognizance—that is, on his undertaking to appear before the court on the day set?

In the majority of cases, release on these terms would be quite safe. The average defendant, especially if he has a job and family, is not likely to take to flight and become a fugitive from justice for the rest of his life.

There are instances where, because of the extreme seriousness of the charge, or the defendant's past record, or for some other reason, there is real cause to fear that he will skip out.

In that case it may be necessary to keep him in jail until the trial. In the James Royal case, for example, it might have been wiser to keep the accused behind bars.

But, the decision to hold or release the accused should be based on the circumstances of the case and the man's position and reputation—not, as it is now, or whether he can raise a specified amount of money or persuade someone else to put it up for him.

The presence or absence of a bail bond, we suspect, has little or no effect on a defendant's decision to stay or run away.

The bail system, in fact, is one of those medieval survivals which encumber our courts, and which make no sense under modern conditions.

The time is overdue to eliminate it.

The sponsor of the bill has performed a service in bringing this matter to the floor of the house, and the hon. member for Rosedale has contributed much to the consideration of the problem. I think that the committee on justice and legal affairs should have an opportunity to consider it and I hope that the Minister of Justice will see to it that the committee has that opportunity.

I hope, too, that we shall see an amendment to the Criminal Code later in this session, and that the ideas contained in the present bill as well as those ideas that are contained in the remarks of the hon. member for Rosedale, the suggestions made by the John Howard Society and those of Professor Friedland will be considered in framing a more liberal Criminal Code which better reflects the traditions of British justice than does our present code, and the practice under it, in Canada.

[Mr. Stanbury.]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, this is the first occasion in many, many years—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: —that I have spoken on a private member's resolution, or bill. I do so because of my impression, gained over years at the bar, that in the field of bail there has been a series of shortcomings that all of us should have looked into long ago.

I must say at once that the hon. member for York-Scarborough in his summation at the end of his remarks and in quoting the editorial from the Toronto *Daily Star* has clearly enunciated the situation.

I have frequently argued in favour of private members being able not only to present their views but to have the opportunity of seeing their resolutions passed, if parliament is to be preserved.

Hon. members spend a great deal of time—and I am speaking of private members—in preparing bills and resolutions. They have one bite at the apple for one hour, and that is the end. Too frequently, almost without exception, their bills die a natural death.

I hope that a different fate will await the bill introduced by the hon. member for New Westminster (Mr. Mather). He has presented his case with ability and humanitarianism. We know that no amount of bail will prevent those who would escape from getting away if the opportunity offers itself.

• (5:30 p.m.)

I can think of examples which readily occur. I think of Hal Banks who today sojourns in the salubrious areas of the United States. Convicted in Canada, sentenced to five years, let out on bail for $25,000, he finds it much more in tune with his sensitivities to be abroad. What is $5,000 a year to anyone receiving the salary he receives, or received in the past?

There is also John Doyle who was found guilty in the United States of a fraud against the securities laws of an American state. He came back to Canada, to Newfoundland, where he is free and beyond interference. He engages from time to time in political "fixing" about which I can go into detail if anybody wants information on the subject. But there he sits, a respected financier who owed the Canadian government literally millions of dollars in income tax according to the Department of National Revenue, back in our midst living the life of a respected gentleman

because he was able to secure bail following his conviction.

Too often the possession of great riches or the ability to put up a large amount of bail places certain people in an advantageous position while the poor must remain in custody. There are various cases to which reference can be made. I can think of one in the last few weeks. The hon. member who preceded me mentioned Toronto. I do not think Toronto is in any different position because, after all, Toronto has rightly earned the description "Toronto the Good"; that is what it was called in my boyhood days in the east of the city, and no one wants to take away that description today. What the hon. member has described as taking place in Toronto takes place in other parts of the country.

I would respectfully suggest that this bill should not be talked out, and I will not contribute to that occurrence. I believe it should be passed with one qualification—that it should be examined carefully in committee in the manner proposed by the hon. member for York-Scarborough (Mr. Stanbury): Every discretion is left to the judge or the magistrate before whom an application for bail is made in order that the appearance of the person concerned may be assured. We should not allow poverty to be a passport to prison even for a matter of months prior to trial.

The judge has wide discretion. The safeguards are here. The trend in criminology today is not to imprison in cases where it is possible to be reasonably assured, following a first offence, that the ends of justice will be met without the imposition of imprisonment. No one should be sent to prison for any period of time if the judge before whom an application for bail is made can be given a reasonable assurance that the person concerned will turn up for trial.

I say to the hon. member who introduced this bill that strong criticism can be levelled against all of us for not having brought about years ago the implementation of the plan he presents. There may be shortcomings in certain parts of it; there may be alterations which should be made. But the principle deserves to be accepted, and that is what second reading is for. I give my unequivocal support to the purpose, the objective and the general idea which is inherent in this bill and I hope that the house once and for all will show that private members' bills shall not be subject to the guillotine, in a round about manner, by being talked out when they have in them so much to commend as has this bill before us.

The hon. member for York-Scarborough has made a perfect case for this bill and I feel sure he must have been speaking for the Liberal party in what he had to say. This matter should not be left in a state of suspended animation; it is something which deserves the support of all. It is above political considerations. Bail is granted in all types of cases. I have had bail granted in murder cases when the judge concluded that the evidence at a preliminary hearing was not of such a compelling nature that there was a full and complete case made out. The bail was quite small, as a matter of fact—$5,000. It could have been raised in the two cases to which I referred earlier, but very often bail of even $50 is too much to impose.

No matter whether an individual is acquitted thereafter or not, the fact that he was kept in jail before his trial leaves on him a stigma which remains for years. I ask for support for this bill and at the same time I add once more my appreciation to the hon. member for having brought forward a measure which deserves general support.

[*Translation*]

Mr. Georges C. Lachance (Lafontaine): Mr. Speaker, I should also like to add a few comments about that interesting bill introduced in the house by the hon. member for New Westminster (Mr. Mather).

I am very happy that the Leader of the Opposition (Mr. Diefenbaker) agreed to say a few words about that matter, in view of the fact that he said that it had been a long time since he had last taken part in a debate on private members' hour, and all the more so since his reputation as a criminal lawyer is very well known.

However, Mr. Speaker, I do not fully agree with the Leader of the Opposition when he says that since the bill is proposed on private members' hour, it should necessarily be passed by the house. I have too often heard him say that a matter should be studied very closely before being approved by the house, to agree with him that after an hour's discussion a bill proposed by an hon. member should necessarily be passed.

Even if I sincerely commend the hon. member for New Westminster for having submitted to the house this bill whose object is to correct abuses in the legal field, I have to confess that it does not come up completely to my idea of the amendments which should be made to existing legislation, and especially the Criminal Code as far as the release of the accused until the end of his trial is concerned.

In my opinion, this bill originates from natural laws for the prevention of abuses, but it leaves everything to arbitrary action, and too much has been left to discretion for too long. I take the liberty to draw from the vast experience I acquired in the practise of my profession since I had the opportunity to act as assistant attorney general for the province of Quebec, in Montreal, for some time.

Even though I performed those duties for only a short time, that is, for two years, I realized that some provisions in this act concerning the release of accused persons had to be changed.

First of all, I am willing to admit that an accused is presumed innocent until proved guilty by the court, that such person must necessarily enjoy all the advantages of his innocence and, thus, of his freedom, whenever possible.

Let me summarize briefly the present bail system. A person may be released pending the conclusion of the court proceedings either on his own recognizance or on a personal bail for a certain amount, or on bail supplied by a third party on real or personal property, or on a personal bond or a bond supplied by a third party.

• (5:40 p.m.)

Doubtless much could be added, could be said on the matter, but my time is rather limited. I should like to mention however, that bail, considering present-day progress, should be related, first, to the cost of prosecution and next, to the compensation awarded the victim or victims of the offence.

Police work and communications systems being as perfected as they are, Mr. Speaker, I do not think the accused stands a chance of getting away and evading the due processes of law. But, and this is very important, should it happen, costs incurred by the Crown or by the person suing privately should be guaranteed, up to a point, and the victim or victims should receive compensation if the accused were to disappear. Therefore, I suggest that those are the two major considerations on the basis of which bail should be set.

In view of the fact that the costs of prosecution are not very high, I fail to see clearly why bails of $10,000 or $15,000 should be granted, unless it is necessary to pay compensation to the victim. In such a case, the amount involved should be much larger.

The setting of a $20,000 bail to prevent people from getting away is, in my opinion, something which should not be taken into consideration nowadays, especially when you consider that there are several bills on the order paper to the effect that compensation should be paid to the victims of criminal attempts or offences. A solution to the problem would be that, if a person disappears, the bail money be given to the victim as compensation and to cover the costs of the crown or the fees of the private prosecutor.

Mr. Speaker, in the course of the last few days, during a meeting of the commission of inquiry into the administration of justice in Quebec, I said that the Human Rights League had submitted an interesting brief, recommending that justices of the peace be appointed for a judicial district or districts, in order to receive information, hold hearings, adjourn proceedings and grant bail. These justices of the peace could arrange their sittings in such a way that a person could be set free on bail at any time of the day and on any day of the week.

The same brief—I am speaking of the Human Rights League because this is recent—mentioned the case of a lawyer who had to make eight or ten telephone calls before he was able to reach a judge at 11 o'clock at night to have someone freed on bail.

I often had the same experience myself when, at nine or ten at night, I had to make telephone calls to find a judge with the necessary competence to grant a $50 bail to a person who, for example, had been arrested, say, for speeding.

I have always thought that it was unfair and inconsistent with the spirit of the law. Now, if the Criminal Code were amended to enable the judge to sit during the night or at any time, that would help to solve the problem, but it would still be better to determine the granting of bails in advance through an amendment to the Criminal Code. Otherwise, I do not see how this problem can be solved.

The fact of having ten statutes conflicting with the Criminal Code is inconsistent with the spirit of the law, especially from the practical point of view. It would be advisable, for any minor violation, to determine the penalty for a warrant of arrest. Furthermore, Mr. Speaker, that amount could be determined according to the seriousness of the violation as well as the above-mentioned considerations and proportionately to the costs of the proceedings and the compensation of the victim of an offence. In this way, it would not be necessary to disturb a judge at 11 o'clock at night or to make ten telephone calls to set up

a $50 bail and release the accused. When it is impossible to reach a judge, or when the person arrested does not have the means to retain the services of counsel, he spends the night in jail, quite often even the whole week.

I have found by experience that this happens regularly. We must be practical. I quite agree with all the principles involved in the statute, but we must also be practical when it comes to methods and procedures.

I believe, Mr. Speaker, as I said before, that a summons should not be delivered in all minor cases, but I think—and I do not quite agree with the mover of this bill—that bail should be required even where the offence is punishable by death or life imprisonment.

There have been cases, in my personal experience, where people were charged with a crime punishable by death or life imprisonment who obtained bail, and rightly so. Such a bail has been granted on very rare occasions and only after due reflection and serious consideration of the record of the accused and of the offence. I do not see why this type of crime should be automatically excluded. Mr. Speaker, there is still much to be said on this question. I think that, up to now, the judges have been allowed to set the standards of bail.

From my own experience again, I may mention that I have yet to meet a lawyer who, on the morning of an appearance in court, or at any other time, could determine in advance or know how or when his client would be freed, or why he should not be.

Criticism must necessarily be avoided. The arbitrary and the abuses must particularly be avoided, and only through a much greater consideration of this question and, I must admit, not only through a suggestion that everybody be freed in the future, except in rare cases, can this problem be solved.

The hon. member for York-Scarborough (Mr. Stanbury) suggested that this bill should be submitted for consideration to the standing committee of the house. I fully agree with him. Not only that, but I am convinced that it should be submitted to the committee on justice and legal affairs. This matter has been under consideration for too long and it is too vital to the freedom of individuals to let such anachronisms subsist.

The Leader of the Opposition was right in saying that we should be ashamed for not having legislated on this matter long ago. I hope that we will have the opportunity to consider a government bill amending the Criminal Code in that respect.

More than that, we should not wait until a revision or a complete reform of the Criminal Code is made to solve that problem, because it is urgent. If, after studying that problem in committee, we can get directives, I feel that the government will have to propose amendments. If need be, the government should introduce a bill even before the committee has submitted its report. I am convinced, besides, that the government has in the Department of Justice a bill already prepared about that. It is a matter of time and of knowing when such a bill should be introduced in the house.

I think that the leaders of the various parties should come to an agreement so that a bill in that respect can be introduced by the government and even discussed by the committee of the whole House of Commons.

It is too important a matter. The Bill of Rights is flouted every day in our courts of justice, as concerns the release on bail of the accused.

And I would certainly be one of the first to approve any legislation by the government which could improve that matter of bail in our courts of justice.

• (5:50 p.m.)

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that it has been urged on both sides of the house that the subject matter of this bill be sent to the standing committee on justice and legal affairs, I wonder whether the house would entertain such a motion. I have the appropriate motion written out, but there is no point in moving it just for the purpose of adding to the debate. However, if it expresses the will of the house I should be happy to move, seconded by the hon. member for Kootenay West (Mr. Herridge):

That Bill No. C-4 be not now read a second time, but that the subject matter thereof be referred to the standing committee on justice and legal affairs.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I—

[*English*]

Mr. Knowles: Let Mr. Speaker read the motion.

Mr. Prud'homme: He may read it, but I wish to speak on the motion.

Mr. Deputy Speaker: Order, please.

Mr. Prud'homme: I think it is six o'clock, Mr. Speaker.

Mr. Deputy Speaker: Order, please. It has been moved by Mr. Knowles, seconded by Mr. Herridge:

That Bill C-4 be not now read a second time—

Mr. Prud'homme: Mr. Speaker, I have something to say—

Mr. Deputy Speaker: Order, please. Will the hon. member please resume his seat. It has been moved:

That Bill No. C-4 be not now read a second time, but that the subject matter thereof be referred to the standing committee on justice and legal affairs.

Mr. Knowles: Question.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I see, of course, that it is already past six o'clock, but I would have liked to say a few words on the bill. There is no doubt in my mind that hon. members on this side of the house will do anything possible under the circumstances to inform the Minister of Justice (Mr. Trudeau) of the purpose of the amendment which is the subject of this debate.

[*English*]

Mr. Deputy Speaker: Order, please. The hour for the consideration of private members business has expired. It being six o'clock, this house stands adjourned until two thirty o'clock in the afternoon of Monday next.

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

HOUSE OF COMMONS

Monday, June 19, 1967

The house met at 2.30 p.m.

PRIVILEGE

PORT ABINO LIGHTHOUSE—RIGHT TO VISIT PUBLIC WORKS AND INSTITUTIONS

Mrs. Grace MacInnis (Vancouver-Kingsway): I rise on a question of privilege which affects my rights as a member of this house.

While in the neighbourhood of Fort Erie on Saturday, June 10, I was taken by members of the Association for the Preservation of the Erie East Lakefront to see the federal lighthouse at Port Abino. We took the only access road, drawing up at the home of the lighthouse keeper. A neighbouring resident backed his car from the garage squarely across the road, barring our way back. An argument ensued, following which he gave us 20 minutes to get off the road before he would call the police. As we were ready to go, we left without further ado, although I may say not without reluctance on our part.

Now, here is my point of privilege. As a federal member of parliament I believe I have every right to visit public works which are paid for by the taxpayers, yet I was ordered off the access road by a local resident. He claimed that the courts had given him and other local residents the right to bar the road to the public. Yet this road is plowed in winter by the township at public expense.

Further, I was informed that in recent times the residents have moved the gate to the private section of the road so as to include about a quarter of a mile more than the court is supposed to have awarded them. This, Mr. Speaker, is a completely unwarranted interference with the rights of a member of this house to visit public works and institutions. I ask you to take steps to correct this situation without delay.

MR. PENNELL—MINIMUM SECURITY INSTITUTION, P.E.I.—TABLING AMENDED ANSWER

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I rise on a point of privilege. Last Monday I tabled a reply to question 138 by the hon. member for Kings (Mr. McQuaid). The hon. member had asked whether representations had been received for the establishment of a minimum security institution in Prince Edward Island from the government of that province. The tabled answer stated that no representations had been received for the establishment of a minimum security institution, but a communication had been received regarding the establishment of a maximum security institution. Subsequently my attention was drawn to a letter in which representations had been made regarding a medium or minimum security institution, by the government of Prince Edward Island.

I regret any inconvenience that may have been caused the hon. member or other persons by the earlier answer and, with leave, I propose to table an amended answer.

Mr. Speaker: Has the hon. member leave to table an amended answer and have it printed in *Hansard?*

Some hon. Members: Agreed.

• (2:40 p.m.)

[*Editor's Note: The question and amended answer above referred to are as follows:*]

Minimum Security Institution, P.E.I.

Question No. 138—Mr. McQuaid:

1. Have representations for the establishment of a minimum security institution in Prince Edward Island been received from the government of that province?

2. Is it the intention of the government of Canada to proceed with the establishment of such an institution?

3. What progress towards this end can be reported to date?

Hon. L. T. Pennell (Solicitor General): 1. Representations have been received from the government of Prince Edward Island regarding the establishment of minimum, medium and maximum security institutions in that province.

2. It is not, at present, the intention of the government of Canada to proceed with the establishment of a federal penal institution in that province.

3. Not applicable.

CANADIAN NATIONAL RAILWAYS

REFERENCE OF REPORTS TO STANDING COMMITTEE

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, if I could have the consent of the house I wonder if I might be

permitted, although I know this is a bit unusual, to move item No. 25, standing on government orders, referring the annual report of the C.N.R. to the parliamentary committee. I understand the steering committee of the standing committee are desirous of having their proceedings on Thursday and Friday, and if there were no debate at this time I think it might be convenient for all hon. members if this motion could be accepted.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Pickersgill: Mr. Speaker, I move, seconded by the Minister of Public Works (Mr. McIlraith):

That the annual reports for 1966 of the Canadian National Railways and of the Canadian National Railways securities trust, tabled April 26, 1967 and the auditor's report to parliament for 1966 in respect of the Canadian National Railways tabled May 29, 1967 be referred to the standing committee on transport and communications.

Motion agreed to.

JUSTICE AND LEGAL AFFAIRS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. A. J. P. Cameron (High Park) moved that the first report of the standing committee on justice and legal affairs, presented to the house on Thursday, June 15, be concurred in.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, this is a report of a committee asking for a reduction in the quorum from 13 to eight members. The committee consists of 24 members, as is the case with most of the committees of the house and here we are, only in the 30th day of a new session, with it asking for a reduction in the quorum. This occurred apparently at the first or second meeting of the committee. I notice that three other committees earlier asked for a reduction in quorum. There is another motion on the order paper asking for a reduction. It is obvious that something has gone wrong with the committee system.

We were treated two years ago to a great move in this house toward reform, with large numbers of committees being set up. Everything was to be done, apparently, by committee procedure. The membership of most of the committees was set at a figure of 24 members, and the quorum of each committee or of most of the committees was set at a majority of the members. At that time I recall that I pointed out the ineffectiveness of this system. I opposed the multiplicity of committees and pointed out that the quorum arrangement might be ineffective.

It is rather strange that at the opening of a new session a committee should be rushing back to this house asking for a reduction in its quorum. These committees are all miniatures of the House of Commons. The majority in the house is held by the Liberal government. The majority in each committee is held by the Liberal government. This is an obvious indication that the Liberal government is unable to man the committees.

The experience over the last year and a half, when we had the longest session in living memory, was that, with one or two exceptions the members of the opposition pretty well sustained the committees that were in operation.

Some hon. Members: Oh, oh.

Mr. Churchill: I hear a chorus of disapproval from the other side, Mr. Speaker, but I know of what I am speaking. Then once again this session the Liberal party is expecting the members of the Conservative party to sustain these committees.

An hon. Member: What are you paid for?

Mr. Churchill: Somebody shouts out "What are you paid for?" It seems to me that the government of this country and the governing party should conduct the affairs of this nation in a proper manner and not be completely dependant upon being bailed out time and time again by the Conservative party. We have been doing this now for the last two years; we have been bailing out an ineffective, badly organized government.

The fact that the government members on these committees are now coming crying to the house because they cannot field a quorum, Mr. Speaker, indicates their incapacity and incompetence. I am very much opposed to this motion, sir. If we are going to have a committee system of the magnitude of that which has been imposed upon this House of Commons, then it is up to those who proposed the scheme to make it work. It was the Liberal party that proposed having all these committees that we have. It was the Liberal party that said that this is the way that parliament ought to work.

Some of us on this side, Mr. Speaker, oppose this idea. We think that this will destroy the effectiveness of the House of Commons

itself, and I think this has been proven over the last year and a half. The effectiveness and importance of the House of Commons has been reduced because of the committee work that is going on. There has to be a certain amount of committee work, of course, but a multiplicity of committees is destructive of the House of Commons. Now, at a time when this is evident, the government rushes back into the house crying for assistance, saying in effect that they cannot field a quorum and that they want the quorums reduced.

• (2:50 p.m.)

This, sir, is obviously extremely bad. When the rules committee under the present government house leader was working last session, why did it not come up with some idea regarding the quorum of the committees which had already proved to be ineffective? No such suggestion to amend the rules was made. Now at this time of the year, in the month of June, after we have been sitting almost continuously for a year and a half, with a desire to rush to completion some of that work of the house, members on the government side come forward with the idea of reducing the quorum. This idea stems from the activity of the government house leader who wants this house to rush through in a few days our consideration of $9 billion in expenditures.

We can now see what the plan is. Quite a number of estimates have been referred to committees, these committees are to deal with them and send them back to the House of Commons with the statement that they have given them serious consideration. What are we going to find? We are going to find in connection with one committee that eight people may be given the authority to deal with the estimates of a department, and yet another committee may have nine; so eight or nine people will have the authority to discuss and deal with the estimates before the committee, and report back to the house that the estimates have been approved. We will then hear from the government side that there is no need to discuss these estimates here in the house because they have been settled in the committee. We will have about eight people in the committee carrying out the discussions, and then the house will be bemused by the suggestion of the government house leader that everything has been settled satisfactorily in the committee.

We have observed a spectacle during the last two years, and we are told that the committee work is superior to the work of the House of Commons. I suggest to you, sir, that the committee work has fallen down here in parliament, and proof of that fact is now right in front of us in this suggestion that quorums are too large, that committees are too large and should be reduced in size so everything can be speedily pushed through.

What is being made of this institution is a rubber stamp institution, to rubber stamp things in the committee, and then rubber stamp them in the house and then, through a propaganda campaign, it will be said that this is the way things ought to be done. I am here to object to this procedure, and I object to this proposed reduction of the committee quorum from 13 to eight.

Mr. D. S. Macdonald (Rosedale): Mr. Speaker, I should like to make a few comments in respect of the remarks of the hon. member for Winnipeg South Centre (Mr. Churchill). I am a member of the external affairs committee which had a meeting called for 9.30 last Thursday morning. At that time we did not have the required quorum of 13 members. There were eight Liberal members present and two opposition members, namely the hon. members for Calgary North (Mr. Harkness) and Oxford (Mr. Nesbitt). The hon. member for Winnipeg South Centre, who is a member of that committee, turned up between half an hour and three quarters of an hour late.

Some hon. Members: Oh, oh.

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

Some hon. Members: Shame.

Mr. Speaker: Order, please. Do I understand the hon. member for Winnipeg South Centre is rising on a point or order or a question of privilege?

Mr. Churchill: I am rising on a question of privilege. I was attending at that very moment a house leaders meeting called by the government house leader.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Cameron (High Park): Mr. Speaker, as chairman of the standing committee on justice and legal affairs, may I say that the quorum of eight as suggested is in line with the practice followed in the United Kingdom, being one third of the membership. I can also

say that the justice and legal affairs committee is a very excellent one. Notwithstanding what the member for Winnipeg South Centre has said, it does not rubber stamp anything.

I could comment on the make-up of the committee. The members from the Liberal party, those from the Conservative party, from the New Democratic party and the Ralliement Créditiste have been very, very excellent in their attendance. We did have difficulty getting organized at the beginning of the session. I can look over this house and see several members who did not do very well in attendance on the committee and who I believe should really get off it. If we cannot have a quorum of eight and have to have a quorum of 13, we cannot get on with our business. I suggest that the motion is in order. It was agreed to by the Conservative members, the Liberal members and all members of the committee present, 13 in number. I think the motion should be concurred in.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Question.

Mr. Speaker: Mr. Cameron (High Park), seconded by Mr. Habel, moves:

That the first report of the standing committee on justice and legal affairs presented to the house on Thursday, June 15, 1967, be concurred in.

Is it the pleasure of the house to adopt the said motion?

Some hon. Members: On division.

Mr. Speaker: Carried, on division.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SUBVENTION ON EXPORTS OF WESTERN COAL

Question No. 43—**Mr. Reid:**

1. With respect to the agreement between Nippon Kokan of Japan and Coleman Collieries to export 13,300,000 tons of coking coal to Japan over the next 15 years, will the government of Canada be paying subventions on these coal exports and, if so, how much per ton?

2. Will the government of Canada be providing a subvention to assist in transportation costs?

3. What is the amount of subventions paid by the government of Canada on exports of coal from western Canada and to whom are these payments made?

4. For the past 10 years, what has been the annual payment to each company?

5. What is the formula used to calculate this payment?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): 1. Yes, during the first four fiscal years of the contract; $2.73 in 1967-68 and 1968-69; $2.44 in 1969-70; $2.19 in 1970-71.

2. Indirectly through the above payments, yes. The subvention payments on coal exports from western Canada go to the coal producing companies which in turn pay transportation costs to tidewater.

3. An amount, not exceeding $3.15 per net ton, as determined in accordance with Order in Council P.C. 1962-462 as amended by P.C. 1962-1509. The determination is based on studies of production and transportation costs, the selling prices obtained by the Canadian producers and the competitive situation in the overseas market. The payments are made to the three companies exporting coal to Japan, The Canmore Mines Limited, Coleman Colleries Limited and Crows Nest Industries Limited.

4.	Canmore	Coleman	Crows Nest Industries
1957-58	$ 90,643.09	$ 1,137.30	$ 1,376.89
1958-59	91,652.00	2,767.00	3,338.00
1959-60	426,298.00	164,690.00	454,258.00
1960-61	655,671.00	489,853.00	1,388,740.00
1961-62	672,811.26	887,503.29	1,598,454.99
1962-63	399,893.59	675,909.51	1,187,580.09
1963-64	541,904.01	955,954.52	1,198,090.09
1964-65	573,592.17	1,269,756.67	1,057,131.05
1965-66	462,920.40	1,213,455.52	1,031,609.06
1966-67	682,004.96	1,350,523.88	1,599,473.61

5. The amount, not exceeding $3.15 per net ton, needed to make the Canadian coal competitive in its destination market.

DREDGING AT BAIE-JOLIE, QUE.

Question No. 93—**Mr. Mongrain:**

1. Have the dredging works, as carried out three years ago at Baie-Jolie (lake St. Pierre), been approved by the responsible government authorities?

2. If so, what is the name of the official who signed the reports submitted to the government for final approval?

3. Were the river front property owners consulted before these works were carried out?

4. Has the government made an estimation of the damage caused to the river front properties?

5. Has the government received any claims from the owners of these properties in this connection?

6. If so, what conclusions have been reached by the government department concerned?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Yes.

2. H. L. Land, chief, St. Lawrence ship channel division.

3. Yes, through a representative.

4. No.

5. No claims, but some complaints.

6. Complaints are being investigated in consultation with persons concerned.

FINANCIAL ASSISTANCE TO PULP COMPANY, PRINCE ALBERT, SASK.

Question No. 132—**Mr. Douglas:**

1. Has any financial assistance been promised or granted under the Area Development Incentives Act to the Prince Albert Pulp Company Ltd., Prince Albert, Saskatchewan and, if so, to whom were such promises made and how much assistance has been promised or granted?

2. If any financial assistance has been granted, when were such grants authorized, and on what dates have payments been made?

Hon. C. M. Drury (Minister of Industry): 1. and 2. On March 8, 1966, the president of Prince Albert Pulp Company Ltd., Prince Albert, Saskatchewan, received an assurance from the Minister of Industry that the proposed bleached kraft pulp mill at Prince Albert would qualify for a capital grant provided the project complied with the provisions of the Area Development Incentives Act and Regulations. The amount of the grant was estimated at $5,000,000 but the actual amount will be based upon the approved capital costs of the eligible assets and the level of equity of the company and its shareholders in the facility. Payment of the grant will not commence until after the facility is in commercial production.

ADMINISTRATIVE CENTRE, CHARLOTTETOWN, P.E.I.

Question No. 137—**Mr. McQuaid:**

1. Has the provincial government administrative centre in Charlottetown been classified as a centennial project and, if so, is it entitled to a centennial grant from the government of Canada?

2. If this classification has not already been made, how soon may it be expected?

3. If the administrative centre cannot be so classified, what is the reason?

4. If the administrative centre will not be so classified, is the federal government considering the making of a special centennial gift to the province of Prince Edward Island?

Hon. Judy V. LaMarsh (Secretary of State): 1. Centennial commission has not provided any grant to the government administrative centre in Charlottetown and, therefore, the centre is not a centennial project within the terms of the commission's grants programs.

2.-3.-4. The federal government has made a grant of $2.8 million to the Fathers of Confederation Memorial Citizens Foundation to assist the construction of the Fathers of Confederation Memorial Building in Charlottetown. No other grant for projects of a lasting nature is available from the centennial commission to Prince Edward Island except under the centennial projects program which is directed toward the construction of local or regional projects.

HARP SEALS—PETITION FOR SANCTUARY IN GULF OF ST. LAWRENCE

Question No. 144—**Mr. Diefenbaker:**

1. Has the Prime Minister received petitions from residents of the city of Windsor, Ontario containing approximately 1000 names requesting the government of Canada to declare the gulf of St. Lawrence a sanctuary for the harp seals?

2. Has the Prime Minister received a copy of the resolution adopted by the council of the city of Windsor urging the government to declare the gulf of St. Lawrence a sanctuary for harp seals, and also asking that alternative modes of employment be found for those men who will suffer loss of income if seal hunting is abolished?

3. Has the Prime Minister received a letter from the president of Local 200, UAW, Windsor, Ontario representing 4,400 Ford workers requesting that the gulf of St. Lawrence be declared a sanctuary for harp seals and end the baby seal hunt?

4. If so, what has been the reply given respectively to the aforesaid (a) petition, (b) resolution, and (c) letter?

Questions

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): 1. Two petitions were received from residents of the city of Windsor containing a total of 661 names.

2. Yes.

3. No.

4. (a) Replies included a copy of a statement by the Minister of Fisheries outlining measures taken by his department to ensure that sealing operations are conducted in full accord with humane practices. (b) A reply was sent by the Minister of Fisheries, as follows:

Is is rather difficult for me to understand how your council could approve such a resolution without acquainting itself with the situation before reaching such a decision.

Regarding the establishment of a sanctuary for harp seals in the gulf of St. Lawrence, while this might be possible, it would only affect about 15 to 20 per cent of the seal hunt which takes place in north Atlantic waters every year. Futhermore, over 30,000 fishermen depend on the fishery resources of the gulf of St. Lawrence for a livelihood. An adult seal consumes as much as 15 pounds of fish per day, and one can judge what quantity of fish can be consumed by the seal herds when, as in 1966, 1¼ million adult seals were spotted on the ice in the gulf of St. Lawrence alone.

I have a responsibility to protect the fishery resources of the gulf of St. Lawrence and it would be unfair to the fishermen of the Atlantic provinces if I would permit the seal herds to increase to such an extent that the fishery production of the gulf could be seriously affected.

With regard to finding alternative modes of employment for these fishermen during the months of March and April, here again I would have hoped that your council would have been fully aware of the conditions in that part of the country during that particular period. At this time of the year no other means of livelihood is possible for these men. It would be very costly to the taxpayers of this country to suggest that governmental assistance be provided for the inhabitants of the St. Lawrence area who depend partly on the seal hunt at a time of the year when no other fishery operation is possible. Besides the seal hunt taking place in Zone 1 of the gulf of St. Lawrence, where sealers and aircraft are allowed to operate and where a fixed quota of 50,000 whitecoats is imposed, we also have to provide for thousands of landsmen along the coast of Newfoundland and the north shore of the St. Lawrence where seals are available only when drift ice is carried along these coasts. No one can devise a formula which could take care of this particular population.

I must, therefore, advise you that is is impossible for me to accept the recommendation of your city council as outlined in the resolution referred to above.

(c) Not applicable.

FISHING VESSEL SUBSIDIES

Question No. 147—**Mr. Crossman:**

What was the total number of vessels qualified for subsidy and the total amount paid on the subsidization of fishing vessels by the Department of Fisheries for the fiscal years ending 1961 to 1967 inclusive in (a) New Brunswick (b) Nova Scotia (c) Prince Edward Island (d) Newfoundland?

Hon. H.-J. Robichaud (Minister of Fisheries): See following table.

QUESTION NO. 147—MAY 30, 1967

VESSEL SUBSIDIES

Fiscal years	Newfoundland		Nova Scotia		New Brunswick		Prince Edward Island	
	No. of vessels	Amount paid	No. of vessels	Amount paid	No. of vessels	Amount paid	No. of vessels	Amount paid
1960–61	5	$ 19,169.70	16	$ 117,682.95	4	$ 36,832.95	5	$ 49,226.10
1961–62	11	66,157.00	9	97,158.70	17	110,083.95	2	28.731.30
1962–63	7	36,397.50	14	167,659.50	14	121,775.25	—	—
1963–64	9	42,850.00	14	150,302.50	8	80,285.00	—	—
1964–65	48	247,422.30	25	298,516.00	9	75,233.20	1	2,828.00
1965–66	24	119,008.44	67	1,183,700.07	10	296,729.74	6	6,733.16
1966–67	38	302,744.36	104	1,159,903.13	23	59,793.82	11	14,809.33
Total	142	$ 833,749.30	249	$3,174,922.85	85	$ 780,733.91	25	$ 102,327.89

Grand total

501 Vessels—$4,891,733.95

Questions

BRANDON, MAN., R.C.M.P. HEADQUARTERS

Question No. 158—**Mr. Dinsdale:**

What are the present plans for the construction of the new R.C.M.P. headquarters in Brandon, Manitoba?

Hon. L. T. Pennell (Solicitor General): It is intended to commence construction of a new R.C.M.P. sub-division headquarters in Brandon, Manitoba during 1967/68. Plans are being finalized and tenders will be called in the near future.

NUCLEAR WARHEADS STORAGE

Question No. 179—**Mr. Allard:**

1. How much did Canada spend in 1966, in dollars, to guard nuclear warheads, including costs of storage, men and dogs, for storage areas located in Canada and elsewhere?

2. Has the government of Canada taken any steps since 1965 for the denuclearization of Canadian troops stationed in Europe and, if so, what are they?

[*Translation*]

Hon. Paul Hellyer (Minister of National Defence): 1. Approximately $5,100,000.

2. As indicated in the white paper on defence in March 1964, Canada's contribution to the nuclear strike role in Europe will reduce as the airplanes attrite.

[*English*]

SHERBROOKE, P.Q., FEDERAL LOANS

Question No. 180—**Mr. Allard:**

1. How many loans were granted to the city of Sherbrooke by the federal government in 1966 and what was their value?

2. What kinds of project in the city of Sherbrooke benefited from a federal loan?

3. On what conditions and at what rates of interest were these loans granted to the city of Sherbrooke?

Hon. Mitchell Sharp (Minister of Finance): 1. I am informed by the municipal development and loan board and by Central Mortgage and Housing Corporation that no loans were granted by them to the city of Sherbrooke in 1966.

2 and 3. Not applicable.

AMHERST, N.S., CUSTOMS OFFICE

Question No. 201—**Mr. Coates:**

Is it the intention of the government to close the customs office presently located at Amherst, Nova Scotia and, if so, on what date will this office be closed and where will the personnel involved be transferred to, and what type of substitute service will be available to the people of Cumberland county, and more especially to the people of Amherst, N.S.?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): There are no changes currently contemplated for the customs port at Amherst, N.S.

NAPPAN FARM SEED CLEANING PLANT

Question No. 204—**Mr. Coates:**

1. For what period of time has a seed-cleaning plant been available to the farmers of Cumberland county at the Nappan experimental farm?

2. Is this seed-cleaning plant being removed as a service to the farmers of Cumberland county and, if so (a) on what date will it be removed (b) what is the reason for the decision to eliminate this service?

Hon. J. J. Greene (Minister of Agriculture):

1. The seed cleaning plant at the Nappan experimental farm has been available to farmers since 1930.

2. Yes; (a) due notice was given to farmers that the service will not be available in 1968. (b) The seed cleaning machinery is almost worn out. The department does not plan to replace this equipment. This decision was reached because privately owned seed cleaning plants are being established with some assistance from the provincial government.

BRUCELLOSIS—COMPENSATION FOR SLAUGHTERED CATTLE

Question No. 211—**Mr. Godin:**

1. As of what year did the government of Canada grant compensation to farmers whose cattle contracted brucellosis and were condemned to be slaughtered?

2. In the case of (a) adult thoroughbred animals (b) adult cross-bred animals, what was the amount of the compensation (i) at that time (ii) in 1966?

3. Is the government considering adjustment of this compensation in keeping with the value of these animals?

Hon. J. J. Greene (Minister of Agriculture): 1. 1957.

2. (i) 1957 (a) $100. (b) $40. (ii) 1966 (a) $140. (b) $70.

3. Yes, the matter is under review.

OLD AGE PENSIONS TO FOREIGN CITIZENS

Question No. 212—**Mr. Latulippe:**

1. Does Canada pay old age pensions to foreign citizens who have been resident in Canada?

2. Are pensions paid to foreign citizens who, after reaching retirement age, dispose of their holdings, leave Canada, return to their own country and live on this pension?

3. To which countries do they return?

4. How many pensions are awarded and what is the amount paid to these persons annually, by country?

[*Translation*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. Yes. In order to qualify for the Old Age Security pension, an applicant must show that he has resided in Canada for the number of years required by the legislation. Citizenship is not an eligibility factor.

2. Any pensioner, regardless of citizenship, may be paid the basic $75 pension indefinitely anywhere in the world provided he has resided in Canada for at least twenty-five years after his twenty-first birthday. If he has not so resided, the basic pension may be paid for up to six months of absence from Canada exclusive of the month of departure; payment is then suspended until the pensioner returns to Canada.

3. Since citizenship is not a factor in determining eligibility for the Old Age Security pension, it is not possible to distinguish between Canadian citizens and foreign citizens in receipt of the Old Age Security pension whilst absent from Canada nor is it possible to distinguish between those pensioners living permanently outside Canada and those who are on extended visits to other countries. Of the 1.2 million pensioners, 9,429 were being paid the pension in other countries in July, 1966, the last month for which such figures are available; of that number, 4,710 pensioners were in the United States, 2,161 in the United Kingdom and the remainder in several other countries throughout the world.

4. See 3. above.

[*English*]

BROADCAST EXPENSES—QUEBEC PROVINCIAL ELECTION

Question No. 224—**Mr. Grégoire:**

1. Regarding question No. 2,447, answered on February 13, 1967, did the B.B.G. keep records showing the time devoted to political broadcasts by private broadcasters during the elections of June 5, 1966, in the province of Quebec?

2. If so, how much time was devoted to political broadcasts by each of the political parties?

3. If the B.B.G. keeps a record of this information under section 11 of the Broadcasting Act, will it do the same during the next elections?

4. Regarding the information given on page 427 of the report of the committee on election expenses, can the B.B.G. provide similar information in reply to questions on the order paper?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Board of Broadcast Governors as follows: 1. No.

2. See 1.

3. Section 11 of the Broadcasting Act provides the board with certain powers to make regulations but it does not require the board to obtain information about political broadcasts. The board does not propose to make a regulation requiring the licensees of broadcasting stations to report on the expenses incurred by political parties in connection with political broadcasts over radio and television stations.

4. See 3.

McKAY-CORMACK LTD., VICTORIA, B.C.—AUXILIARY BOAT CONSTRUCTION

Question No. 237—**Mr. Barnett:**

1. Has McKay-Cormack Ltd. of Victoria, B.C., constructed or been engaged to construct auxiliary boats for a Department of Transport weathership in a recent fiscal year?

2. If so, when was such weathership constructed, has it been commissioned and, if so, when and what is its name?

3. Were tenders called for construction of auxiliary boats refered to in part 1 above and, if so, for how many such boats, and at what price for each boat were contracts awarded?

4. If more than one bid was received, what were the high and low bids in each case?

5. Has construction of any or all of such boats been completed and, if so, what is the completed cost of each?

6. What briefly are the specifications of such boats, such as size, basic hull material, power plant and rating?

7. What functions in connection with the operation of the weathership were such auxiliary boats designed to perform?

8. As originally designed and constructed, did such boats perform these functions satisfactorily?

9. If not, what redesign and/or reconstruction was necessary and at what additional cost?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Yes.

2. C.C.G.S. *Vancouver* commissioned July 1966 and C.C.G.S. *Quadra* commissioned March 1967.

3. Tenders called by shipyard, Burrard Dry Dock Company, Limited. Two boats, each costing $59,775.

4. Shipyard responsibility.

5. Both completed, each costing $61,763.

6. 30 foot steel, 50 h.p., diesel oceanographic launches.

7. Oceanographic work.

8. Yes.

9. Minor modifications, costing $1,988.

Note: McKay-Cormack Ltd. built the two 30 foot steel oceanographic launches for the C.C.G.S. *Vancouver* and *Quadra* to the order of Burrard Dry Dock Company, Limited, Vancouver, B.C. on a fixed price basis. The main ship fixed price contract with the Department of Transport included the above oceanographic launches complying with the Pacific naval laboratory specification requirements.

ATLANTIC PROVINCES—FEDERAL PAYMENTS IN HIGHWAY PROGRAM

Question No. 243—**Mr. Crossman:**

What was the total amount paid by the federal government to the Atlantic provinces under the trans-Canada highway program for each of the fiscal years from 1957 to 1967 inclusive?

Hon. G. J. McIlraith (Minister of Public Works): 1957-58, $9,183,401.43; 1958-59, $19,114,713.38; 1959-60, $17,775,426.67; 1960-61, $13,848,445.50; 1961-62, $6,663,664.17; 1962-63, $3,818,924.71; 1963-64, $18,242,081.43; 1964-65, $36,633,645.90; 1965-66, $44,634,325.-68; 1966-67, $35,110,367.00.

*EXPO '67—DISPOSAL OF FACILITIES

Question No. 269—**Mr. McCutcheon:**

1. What role will the federal government play in the assets disposal corporation set up to oversee liquidation of Expo's facilities and chattels?

2. Will the proceeds of such liquidation be returned to all the participating levels of Canadian governments' on the same proportionate basis as their investment?

3. Who is to be in charge of this body?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, no corporation has been set up but a committee has been established informally. It has representation from the federal government, the government of Quebec and the city of Montreal to advise the board of Expo and the respective governments on the disposal of assets which they jointly own. Expo is charged with the responsibility under the act for disposal of these assets, but will do so in accordance with instructions from the three governments.

[Mr. Byrne.]

In the master plan tabled in parliament on April 14, 1967, there is included under revenues a total amount of $72,777,480 which Expo estimated could be realized from salvage and disposal of assets.

The terms of reference to the representatives of the federal government on this committee, are to recommend ways and means of realizing at least this amount. Any such proceeds would accrue to Expo, in which the three governments participate on the basis of 50 per cent federal, 37½ per cent provincial and 12½ per cent city of Montreal.

The members of the committee representing the federal government are Mr. Donald Jupp, Ottawa representative of the Canadian Manufacturers' Association and Mr. L. Richard, president of Crown Assets Disposal Corporation. Mr. Jupp acts as chairman of the federal delegation.

EXTERNAL AFFAIRS

MIDDLE EAST—INQUIRY AS TO ACCEPTANCE BY CANADA OF PROPOSALS ENUNCIATED BY PRESIDENT OF THE UNITED STATES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, with reference to the very statesmanlike and remarkably clear speech made this morning by the President of the United States, I would ask the Prime Minister whether the five points which were set out by the President are acceptable to Canada.

If so, what is Canada's attitude to be in connection with the refugees? Is the Prime Minister in a position now to give some indication as to the number of refugees that Canada is prepared to accept?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, so far as the five points in the President's statement this morning are concerned, our position with regard to at least four of them was made pretty clear in the statement I made in the house in which I put forward these points as being important in the development of a basis for the settlement. There was one additional point which I did not mention and which was very much in all our minds, that is the question of the limitation of armaments in that area. I think that is just as important as the other five points, and I am quite sure this parliament would wish to support all the points mentioned by the President.

Mr. Eldon M. Woolliams (Bow River): A supplementary question, Mr. Speaker. Could the Prime Minister, in view of his answer of last week to the right hon. Leader of the Opposition, make any definite statement on the number of refugees that Canada is willing to admit? How many may enter Canada and become residents. The last time the Prime Minister answered the question he said that the matter was under consideration.

Mr. Pearson: Mr. Speaker, though the right hon. gentleman mentioned that subject this afternoon, I regret that I did not refer to it. It is impossible at the moment to say how many refugees would be taken, because that would depend on the international arrangements by which this problem could be liquidated. Indeed, it would depend primarily, or very importantly, on the attitude of the Arab governments toward the urgency of the problem. When this matter was mentioned the other day there were reports in Arab newspapers criticizing Canada because we were trying to take away from those countries Arab refugees whose only desire was to go back to their families in Palestine.

UNITED NATIONS

MIDDLE EAST—SUGGESTION BY PREMIER KOSYGIN OF ISRAELI WITHDRAWAL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in view of Premier Kosygin's statement, that it is essential that Israel shall withdraw to the armistice boundaries which it had at the time the armistice was declared years ago and the generous applause that he received at the end of his speech, will Canada take the definite stand that Israel shall not be required to go back to the former boundaries and that in addition thereto every protection and assurance must be given to Israel that its territorial areas and its integrity will be protected by measures under the United Nations?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not quite sure what my right hon. friend is referring to when he speaks about the applause which greeted the speech of the Soviet delegate. I am assuming he was referring to that, and I am not very much concerned or impressed by that kind of applause until I know where the applause came from—and the television did not show that.

So far as the question of withdrawal of the forces is concerned, I thought the President of the United States expressed a very sound opinion when he linked withdrawal with international commitments and obligations to ensure that when the withdrawal took place it would not be a withdrawal to the state of affairs which existed a month ago. I was not quoting him but only paraphrasing what he said.

Mr. Diefenbaker: Mr. Speaker, I have one question arising out of the reply by the Prime Minister with regard to the withdrawal of the forces to old boundaries or to other boundaries than those which have existed until this war broke out a few days ago. What is Canada's view as to the extent it is prepared to go in asking Israel to withdraw and what boundaries has it in mind?

Mr. Pearson: Mr. Speaker, of course I cannot answer that question categorically until we see how things develop at the United Nations, what will be the position taken by the government of Israel in this matter and the position that will be taken by our friends who are having consultations on these matters, as indeed was the case in 1956. I would say that on the whole the position we should take at this time is exactly the same as the one we took in 1956 when it was pointed out very emphatically by the Canadian delegate that if Israel is asked to withdraw behind the armistice line without any effective international guarantees or any effective political settlement, once again we would be faced with the situation that Israel faced before 1956. Unfortunately that has happened, and we do not want it to happen again.

EXTERNAL AID

MIDDLE EAST—CANADIAN AID IN DISTRIBUTION OF SUPPLIES

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, in the same area but on a different subject I should like to ask the right hon. gentleman whether in view of newspaper reports that his announcement last Friday of $2.5 million of food relief to the Middle East related to aid already allocated to that area before the present difficulties arose in the Middle East and that only the $20,000 for medical supplies which the right hon. gentleman announced was additional aid, would he be good enough to clarify the situation as to Canadian aid to the Middle East and also inform the house whether the government is giving serious consideration to increasing the aid both for those needing medical attention

and for the hundreds of thousands of Arabs and others needing assistance urgently at the present time?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, in view of the existing emergency we are very fortunate in having appropriations for aid to the Middle East area already voted by parliament to the extent of $2.5 million, $1 million for UNRWA and $1 million under the food program to the Middle East. These appropriations have been voted and they are available now for food relief to that area. What the government is anxious to do now is to expedite shipments under that program under these appropriations, but that, of course, is not enough and it may be that additional appropriations will be required or additional expenditures made, which I hope can later be approved by appropriations for emergency purposes. I mentioned one of these the other day, a $20,000 grant to the Red Cross for medical supplies. We as the government have been anxious to find out from the international Red Cross and from UNRWA what they need as emergency supplies at this moment. Over the week end we have learned that what they need now is a means of rapid distribution and communications. They have sufficient supplies in the area as a whole for short term needs but they need means of distribution. They also want to be reassured that the pipe lines will be filled as they use them up for emergency purposes.

The government has agreed to help in both these respects. We are purchasing and making available to UNRWA a de Havilland Beaver aircraft for which they specifically asked for communication purposes. We have also offered to make available to UNRWA at once an airlift for long range transport which would help them in the distribution of supplies. Indeed we could make that airlift available if they so require, for the provision of long range food supplies from Canada. However, at the moment they have emphasized they have enough supplies of food, but they want to keep the pipe lines filled. Our additional assistance of a Beaver aircraft and long range aircraft transport, if they require it, would require a special appropriation which we will be bringing forward before long if we need to do these things.

Mr. Lewis: I have a supplementary question, Mr. Speaker. I am grateful to the right hon. gentleman for his answer and for the additional assistance he has announced. Would he be good enough to inform the house whether when UNRWA says it has enough supplies for immediate needs they are referring only to those who were formerly in the refugee camps or were referring also to additional displaced persons who unfortunately and unavoidably have appeared in various areas?

Mr. Pearson: In our communications with UNRWA through our embassies abroad, both in Geneva and in Beirut, we have learned that UNRWA is taking into consideration the additional refugees' requirements, but they are not yet sure of the scope of these additional requirements and as soon as we get additional information—and other governments would be getting it also—we will know whether they will require additional food relief for the additional refugees, which we will be able to help supply. However, at the moment they have enough for their needs as they can ascertain them at the moment.

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, I should like to ask the Prime Minister whether by long range aircraft he means the Royal Canadian Air Force, and, if this is so, whether the Arab nations have agreed to their use.

Mr. Pearson: Mr. Speaker, I do have in mind long range R.C.A.F. aircraft. How they would be used would have to be worked out. That would depend on the requirements and the requests which were made by the international agency. It may be that the R.C.A.F. would be manning these aircraft and they would be allocated to the international agency for its use.

CARTIERVILLE, P.Q.—TRAINING OF ALGERIAN STUDENT PILOTS

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): I have a related question, Mr. Speaker. I wish to ask the Prime Minister a question related to a military matter. Does the government intend to continue, under its external aid program, to pay the whole of the cost of flying training at Laurentide Aviation in Cartierville for 19 student pilots now in training from Algeria?

Mr. Pearson: I shall look into that. Perhaps I could answer tomorrow.

Mr. Diefenbaker: When did they become our allies?

[*Later:*]

Right Hon. L. B. Pearson (Prime Minister): Answering the question that an hon. member asked a few moments ago, about the Algerian pilots, perhaps I could give some information, as I have a memorandum about the matter.

In response to a request received from the Algerian government in late 1965, Canada concurred in providing training in Canada, under its external aid program, for 19 student pilots from Algeria. These student pilots are undergoing civil aviation training only. At the conclusion of their training the students will return to Algeria and will be employed as pilots or co-pilots with commercial air lines operating in Algeria.

Mr. Winkler: A supplementary question, Mr. Speaker. Would there not be some inherent risk in the matter, under present circumstances?

Mr. Speaker: Order, please. That is argumentative.

[*Later:*]

Mr. Eric A. Winkler (Grey-Bruce): I have a supplementary question in connection with those students from Algeria. Are any of them members of the armed services of that country?

Right Hon. L. B. Pearson (Prime Minister): I understand they are civil air line pilots in training. They are proceeding with their course and I think it would be very unwise, on the information we have, to interrupt that training at this time.

NATIONAL DEFENCE

NATO—CANADIAN PARTICIPATION IN NAVAL FORCE

On the orders of the day:

Hon. D. S. Harkness (Calgary North): I have a question for the Minister of National Defence. Has Canada agreed to the establishment of a standing naval force in the North Atlantic Treaty Organization? If so, what if any of our naval units are to be assigned to that force?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, we have not yet finished our investigation of this suggestion. We have from time to time participated in a pilot group of a squadron of ships which was assigned to NATO. If it were deemed in our national interest, we might do the same if a permanent group were established. That would be based I think on the recommendation for about a squadron of ships, and it would be possible for us to participate if it were felt that our contribution were the kind of contribution that we should make to the NATO alliance on a permanent basis.

Mr. Harkness: A supplementary question, Mr. Speaker. When did the NATO organization agree to the establishment of this standing naval force in principle, as announced by Admiral Moorer, the supreme allied commander in the Atlantic?

Mr. Speaker: I have some doubts whether that question is in order.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF AUSTRALIAN DEFENCE MINISTER

On the orders of the day:

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, may I draw the attention of hon. members to the presence in the gallery of Hon. Allen Fairhall, the minister of national defence for Australia, who today is our guest.

Some hon. Members: Hear, hear.

EXTERNAL AFFAIRS

NATO—REQUEST FOR REPORT ON COUNCIL MEETING

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, is the Prime Minister in a position to say when the house might have a report on the recent NATO meeting? I realize that the Secretary of State for External Affairs is in New York, but of course we have the President of the Privy Council (Mr. Gordon) who would naturally be able to give a full report on the situation, if given the opportunity.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am sure that the right hon. gentleman would not mind having the report from me. I have one before me, but it is too long to be given in answer to a question. It could be given tomorrow or the next day, on motions, and I should be glad to do that.

INCOME TAX

PYRAMID MINES—REQUEST FOR STATEMENT ON LIABILITY

On the orders of the day:

Hon. E. D. Fulton (Kamloops): May I address a question to the Minister of National Revenue. In the interest of a large number of Canadian shareholders who have been adversely affected by the delay of a government decision for something in the vicinity of one year, can the minister indicate whether a prompt decision will be made in the case of the tax liability on shares of Pyramid Mines?

Inquiries of the Ministry

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Of course, Mr. Speaker, I cannot discuss the tax position of an individual company or say what our position in this matter will be. I have had consultations with officials several times about this matter and I can assure my hon. friend that the matter is moving forward as fast as is possible.

HOUSING

SUDBURY, ONT.,—LOANS FOR RENTAL UNIT CONSTRUCTION

On the orders of the day:

Mr. Bud Germa (Sudbury): Mr. Speaker, I wish to direct a question to the Minister of Labour who reports to this house on matters pertaining to housing. Has the minister received a request from the Sudbury city council that the additional housing loans for rental unit construction, which he announced recently, should be provided on a basis that applications for these units can be considered by persons whose incomes approximate $6,000 annually. If so, can the minister say whether this request will be met?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, may I, in rising to answer this question, first extend my personal congratulations to the hon. member for Sudbury on his recent election as a member of parliament.

Some hon. Members: Hear, hear.

Mr. Nicholson: May I also thank the hon. member for his courtesy in giving me notice of his question. The answer to the question, I am sorry to inform him, is, no. No such communication has been received by me. The only communications that I have received from Sudbury of late have been commendations and thanks for the prompt action taken by the government in response to requests for assistance with their anticipated housing problem.

Mr. Diefenbaker: Do not give notice.

Some hon. Members: Oh, oh.

HEALTH AND WELFARE

MEDICARE—PRIORITY IN TREATMENT OF PATIENTS

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): I wish to direct a question to the right hon. Prime Minister. The Minister of National Health and Welfare is reported to have stated to the Canadian Medical Association meeting in Quebec city that it may be necessary, when medicare comes into effect, for doctors to see their patients on a basis of priority of illness. Does this reported statement represent government policy?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, if that statement is alleged to have been made by the Minister of National Health and Welfare, he has told me that he did not make it.

Mr. Diefenbaker: We hear of an amazing number of misreports.

[*Later:*]

Mr. P. B. Rynard (Simcoe East): I should like to address a question to the Minister of National Health and Welfare. Did his department send out a correct copy of his speech to the doctors in Quebec city?

Some hon. Members: Oh, oh.

Mr. Speaker: The question is out of order.

LABOUR RELATIONS

TASK FORCE TO REVIEW LABOUR-MANAGEMENT LAW

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): I wish to direct a question to the Minister of Labour. In view of the minister's reference over the week end to the urgency of overhauling our outmoded federal labour-management laws, is the minister now in a position to inform the house whether the government task force which was appointed in this regard will be able to report its findings before the end of the year?

Hon. J. R. Nicholson (Minister of Labour): I am very glad that the hon. member asked that question, Mr. Speaker, because it only illustrates the danger of taking statements out of their context. I said that the need for some overhaul in procedures was such that the government had appointed a task force to look into the matter. It is expected that we will have an interim report from the task force later this year, though, as the Prime Minister and I both have said, it is not expected that the final report from the task force will be available until next year.

CANADIAN CENTENNIAL

REQUEST TO HOLD CABINET MEETING IN BRITISH COLUMBIA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the right hon. Prime Minister. If the Prime Minister receives an invitation from Mr. Ray Perrault, the Liberal leader in British Columbia, to hold a full cabinet meeting in that province as a centennial project, would he accept such an invitation?

Mr. Speaker: Order, please. I do not think that question is acceptable at this time.

[*Later:*]

Mr. H. W. Herridge (Kootenay West): I wish to address another question to the Prime Minister and try to bring myself within the rules of order. Has the Prime Minister given consideration to calling a cabinet meeting in British Columbia, after the fashion set by Premier Bennett?

Mr. Speaker: Order. The hon. member has not succeeded in his endeavours. He is still out of order.

DRUGS

REQUEST FOR REVIEW OF RETAIL PRICES

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I wish to direct a question to the Minister of Finance. Because of rumours that drug prices are being increased even now, has the minister's department taken steps to review the retail prices of drugs in order to ascertain, when the sales tax comes off on September 1, whether that step will in fact be to the advantage of the consumer.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the department does not have the means for making that sort of immediate check on the retail prices of drugs, but I can assure the house and the hon. member that the government is quite determined that the advantage from the removal of the sales tax will be passed on to consumers: Appropriate action will be taken in that regard.

Mr. Olson: Can the minister inform the house what appropriate steps—I think that was the phrase he used—will be taken to give effect to the determination of the government that this benefit should be passed on to the consumer?

Mr. Sharp: Perhaps I might put it this way. If there were evidence that the advantage of the tax reduction were not being passed on, it would be another reason for reducing the protection for drug manufacturers which now exists.

POST OFFICE DEPARTMENT

COMPLAINTS BY LIBRARIES ON INCREASED BOOK RATE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Has the Prime Minister received complaint from the Libraries Association or from various libraries across Canada drawing attention to the detrimental effect of the intended increase in postal rates on the transfer of books between library and library or between library and borrowers, the increase being estimated at some 60 per cent? If so, would the Prime Minister look into this question, because the rates contemplated would strike a serious body blow at the smaller libraries, particularly those which operate in rural communities.

Right Hon. L. B. Pearson (Prime Minister): I do not recall having received complaints but I should like to look into it, and, if I have, I will give consideration to the matter at once.

TRANSPORTATION

MEETINGS IN WESTERN CANADA OF CONFERENCE ON ABANDONMENT APPLICATIONS

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): I have a question for the Minister of Transport. On Thursday I asked the hon. gentleman a question regarding the conference on rail line abandonment called by the Board of Transport Commissioners, to be held in Ottawa on August 1. Has the minister received suggestions that the conference be held in western Canada instead of in Ottawa?

Hon. J. W. Pickersgill (Minister of Transport): Yes, sir. The deputy premier of Saskatchewan approached me about this matter over the week end, and reviewing *Hansard* I find that the hon. member for Burnaby-Coquitlam also raised it in a question to the Prime Minister on Friday. I am advised by the Board of Transport Commissioners that in view of the rather concentrated interest in this subject in western Canada they are considering holding the conference, or part of it at least, in the west.

[*Later:*]

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question to the Minister of Transport relates to the one asked by the hon. member for Moose Jaw-Lake Centre. Is it the minister's intention to make any representations, issue any directive or make any request to the Board of Transport Commissioners with regard to convening the conference on abandonment somewhere in western Canada?

Mr. Speaker: Order. I would think the hon. member is asking a question which is a repetition of one asked previously today.

AGRICULTURE

POSSIBILITY OF FURTHER MEETINGS TO DISCUSS POLICY

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): I should like to direct a question to the Minister of Forestry and Rural Development. Following the meeting between representatives of the government and various farm leaders last Friday, is consideration being given to holding further meetings of this nature at an early date in order to facilitate the determination of a general agricultural policy, as promised by the government?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): I think the holding of further meetings is being considered, Mr. Speaker.

FISHERIES

"OCEAN TRAVELLER"—CHARTERING OF VESSEL BY RESEARCH BOARD

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): My question is addressed to the Minister of Fisheries. I should like to ask the minister whether the Fisheries Research Board has under charter a motor vessel called *Ocean Traveller* and, if so, whether it has put to sea despite the fact that according to the United Fishermen and Allied Workers Union it has been strikebound since March 17.

Mr. Speaker: I doubt whether the question is acceptable at this time. If the hon. member considers it to be a matter of urgency he can give notice that he will raise it at the time of the adjournment.

Mr. Barnett: Ten o'clock.

[Mr. Pickersgill.]

AIRPORTS

SAINT JOHN, N.B.,—POSSIBLE WITHDRAWAL OF FEDERAL GOVERNMENT FROM PURCHASE

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): I address this question to the Minister of Transport. Has the minister received a telegram from the city of Saint John requesting a meeting in connection with the last minute withdrawal of the federal government from the long arranged purchase of Saint John airfield and, if so, what was his reply?

Mr. Speaker: Order, please. I must say I have some serious doubts as to whether it is proper for hon. members to ask whether telegrams and so on have been received by cabinet ministers in connection with certain local matters. Hon. members will recognize that if this practice is allowed to develop and becomes general the Chair will have to deal with countless questions of this nature. I do not wish to make a general ruling, but hon. members might bear in mind that it is difficult for the Chair to determine whether a question asked about a telegram, which may or may not have been sent to a minister, is one of sufficient urgency and national interest as to be allowed. With this reservation, I shall allow the hon. member's question.

Hon. J. W. Pickersgill (Minister of Transport): There is obviously a great deal of interest in this matter; it is more than local, because I received a strong telegram from the premier of New Brunswick about it, as well as one from the city of Saint John. The government has no intention whatever of withdrawing from these negotiations or from this purchase. We are very anxious, as soon as it may conveniently be done, to add the excellent airport at Saint John, which has been maintained so well by the city for many years, to the number of our national airports. It is only a matter of "la question d'argent". As soon as that can be resolved, I can assure the hon. gentleman we shall be only too happy to add this jewel to our crown.

Mr. Bell (Saint John-Albert): May I ask the minister a supplementary question? Will the minister still have a rendezvous with the city of Saint John?

Mr. Pickersgill: Probably more than one.

Mr. Speaker: Order. The question is not in order.

Mr. R. Gordon L. Fairweather (Royal): Is the government of Canada so impoverished that it cannot spend $800,000 to add this jewel to its crown?

Mr. Speaker: Order. The question is argumentative.

Mr. Donald MacInnis (Cape Breton South): My question is really a question of privilege arising out of the ruling you made a few moments ago, Mr. Speaker. Does your ruling imply that the answer given by the Minister of Labour was also out of order?

PILOTAGE

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. Barry Mather (New Westminster): I have a question for the Minister of Transport. Possibly I missed some earlier announcement, but can the minister say whether he has received a report from the pilotage commission?

Hon. J. W. Pickersgill (Minister of Transport): Not yet, sir.

HEALTH AND WELFARE

MAINLAND CHINA—HAZARD FROM HYDROGEN BOMB EXPLOSION

On the orders of the day:

Mr. Heath Macquarrie (Queens): This question is, surely, not local. It is directed to the Minister of National Health and Welfare. Has the hon. gentleman's department yet procured any data on the basis of which some appraisal can be made concerning the possible effects upon Canada of the explosion of the hydrogen bomb by the Peoples Republic of China?

Hon. A. J. MacEachen (Minister of National Health and Welfare): I will be glad to consult my advisers and report later.

CANADA LABOUR CODE

PROCLAMATION OF PROVISIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour and ask him whether the provisions of the Canada Labour (Safety) Code passed last December have yet been put into effect, and, in particular, whether the necessary agreements have been made with the provinces in cases where the provinces are to carry out the provisions of the act?

Hon. J. R. Nicholson (Minister of Labour): If my memory serves me correctly, I stated some time ago that we were working on this program and were hopeful that the appropriate regulations would be passed before the end of this year. There are a number of details which still have to be worked out with the provinces. We are actively engaged in working out this program now and are recruiting the additional staff required. Our expectation is that the act and regulations will be proclaimed some time before the end of the year.

Mr. Knowles: Ten o'clock.

RURAL DEVELOPMENT

PARTICIPATION BY PRINCE EDWARD ISLAND IN PROVISIONS FOR ECONOMIC AND SOCIAL DEVELOPMENT

On the orders of the day:

Mr. David MacDonald (Prince): My question is directed to the Minister of Forestry and Rural Development. In the light of the establishment some months ago of a fund for rural economic development, and the considerable allocations made to Manitoba and New Brunswick from that fund, I wonder whether the hon. gentleman's department is giving the same consideration to making a similar allocation to Prince Edward Island.

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

NATURAL GAS

REQUEST FOR INFORMATION ON GREAT LAKES PROJECT

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I would like to direct a question to the Minister of Energy, Mines and Resources. Has he any news from Washington regarding the Great Lakes pipe line project?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I understand a decision is to be given tomorrow by the federal power commission.

PUBLIC WORKS

SAINT JOHN, N.B.,—USE OF EUROPEAN STEEL IN BRIDGE CONSTRUCTION

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I am not quite sure whether to direct this question to the Minister of Transport

or to the Minister of Public Works. Has the attention of either hon. gentleman been drawn to a report that some 1,500 tons of European reinforcing steel are being incorporated in the Saint John harbour bridge at a time when there are lay-offs in both the Sydney and Amherst steel plants and, if so, are any steps being taken to rectify the situation?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, perhaps this question relates more to the Minister of Transport than to the Minister of Public Works. The Saint John harbour bridge is being built by a local authority, not by any agency of the federal government. It is true that there is a certain measure of underwriting by the federal government, but it would not be possible for me without making inquiries, and perhaps those inquiries would be into a realm that is beyond our jurisdiction, to be able to verify or otherwise the hon. member's report.

Mr. Lewis: As a supplementary question, would the minister be good enough to undertake to make those inquiries and decide the jurisdictional question afterwards?

Mr. Pickersgill: Of course.

CRIMINAL CODE

PROPOSED AMENDMENT RESPECTING REPRESENTATION BY COUNSEL

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of Justice. Has he an answer to the question I asked him about a week ago on whether in the study of revision of the Criminal Code consideration is being given to spelling out in the code the right of any person being questioned by the police to have counsel represent him at a very early stage?

Hon. P.-E. Trudeau (Minister of Justice): No, Mr. Speaker, I have no answer to that but it strikes me the Canadian Bill of Rights already gives certain guarantees in that direction.

AIRPORTS

WINNIPEG, MAN.,—REQUEST CONCERNING STAIRS AND ESCALATORS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport regarding a matter upon which he has been questioned several times on orders of the day. Has the government yet reached a decision to take action to improve the situation at Winnipeg international airport with respect to the unsatisfactory condition regarding stairs and escalators?

Mr. Speaker: I would think this question should be placed on the order paper along with the others.

CAPE BRETON DEVELOPMENT CORPORATION

PROVISION FOR TAKING OVER COAL UNDERTAKINGS, DEVELOPING INDUSTRY, ETC.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources) moved the second reading of Bill No. C-135, to establish the Cape Breton Development Corporation.

He said:

[*Translation*]

Mr. Speaker, I indicated at the resolution stage the historical, economic and social background of this question of Cape Breton coal. I also indicated the schedule of events that led to the present legislation. I have motivated the federal intervention by showing the economic and social seriousness of the problem, concluding that it was in the national interest to such a point that it went beyond the limits of Cape Breton and the financial and economic capacity of the province of Nova Scotia.

I have also mentioned the fine co-operation received from the provincial government and my colleague, the Minister of National Health and Welfare (Mr. MacEachen), insisted on this point.

I have summarized the agreement reached by the Canadian government and the government of Nova Scotia. This agreement gave a pretty good idea of the contents of the bill. I will have in the course of the discussion today the opportunity to reply to various questions put last week, but I am told that I would be stretching parliamentary procedure and that I could be called to order if I were to do so now.

At the present stage, all that I can do is to introduce the legislation, that is Bill No. C-135.

The hon. members now have the bill on hand.

[*English*]

Hon. members will note that this bill has a preamble which is for the specific purpose of establishing that the Cape Breton coal problem is of national concern. The federal government is not now in the business of closing mines when they have come to the end of their reserves; we are taking part in this particular operation it is because the Cape Breton problem is one of national importance.

The preamble also points to a relationship which exists between the phasing in of new industry and the phasing out of the coal mines. That principle is to be found elsewhere in the bill and it is a major foundation of the legislation.

Later in the bill we have clauses concerning the establishment of the corporation itself with the two divisions, the coal division and the economic industrial development division. The purpose is to assign a particular function to each division. We thought this would be a more effective way of proceeding than by having only one division within the corporation.

Farther on there are clauses concerning the acquisition of property. Hon. members who questioned me on this last week will find answers to some of their questions in these clauses. What should be acquired is specifically indicated. How it should be acquired is also indicated; three possible methods are mentioned. One is straight negotiation, one is agreed arbitration, and one is expropriation.

Hon. members who have read the bill will have already observed that the method in respect of expropriation is explained at quite some length. The reason is that the federal government is not entitled by law to acquire more than land. Therefore the expropriation procedures for the companies assets have to be spelled out.

Last week hon. members expressed concern about the pension and retirement plans for miners. The answer to their questions is to be found in clause 18. The pension plan concerns those who are now employed, those who have been employed, and those who will be employed by the company or corporation as the case may be. Members will also observe that the corporation is instructed to establish an early retirement program.

The objectives and powers of the coal division are also clearly indicated. There is an interesting proviso covering the presentation by the coal division of an over-all plan within one year of the coming into force of the legislation. Members may think that this is demanding too much too quickly of the corporation. Consequently there are other clauses dealing with possible amendments of that plan. In a way this is the same thing as we did with the Expo '67 corporation. Hon. members will recall that that corporation presented a plan within months after the passage of the legislation establishing it and that the plan was later amended and improved upon.

There are also a number of clauses dealing with the functions and powers of the industrial development division. Those of us who have read the bill have observed that these functions and powers are very wide. We have, of course, kept maximum flexibility. The corporation will be on the spot, as it were, and able to devise what is best in the interest of the people of Cape Breton.

• (3:40 p.m.)

At the same time, Mr. Speaker, we are trying to avoid duplication. There will be a committee of officials to co-ordinate the actions of all departments, federal and provincial alike, in order to achieve maximum efficiency. We also have financial provisions both on the coal production side and on the economic development side. I am sure that in these provisions members have found answers to some of the questions they were asking me in connection with what the $25 million was for, and so on. However, if members are not sufficiently clear we can go back to these explanations during the clause by clause study.

To conclude the bill, Mr. Speaker, there are clauses of general interest. For example, there is a clause providing that the head office of the corporation will be at Sydney so that members of the corporation will as much as possible be au fait with developments there. There is also provision made for winding up the corporation. The corporation is being set up to achieve a certain job of work which will take a certain number of years. We hope that success on the industrial development side will make it possible for the corporation to wind up at the end of the anticipated 15 years or even less.

There is also an interesting clause at the end of the bill which establishes the constitutional basis for federal action. This clause refers to works and undertakings declared to be for the general advantage of Canada.

There it is, Mr. Speaker. I have tried to give a bird's-eye view of the bill. So we have before us then, a bill which arises out of an agreement between Canada and Nova Scotia to establish, the Cape Breton Development Corporation, to modernize and operate the

coal mines, and also to effect in an enlightened manner the transfer of the economy of Cape Breton Island from coal production to other forms of industrial development and economic activity.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I hope I will be as brief in what I have to say as the minister in order to facilitate the passing of this legislation. I admit that the bill is very much in line with previous policy statements and with the policy announced on October 5, 1965 by the then minister of labour at Halifax.

The answers to the questions which were asked and which no doubt will be asked when we go through the bill clause by clause will clarify many points. However, I would ask the minister to prepare himself to explain some remarks which were made in this chamber on Thursday when we were dealing with the resolution. Among those remarks I would ask him to give a complete explanation of what was meant by the Minister of National Health and Welfare (Mr. MacEachen) when he said as reported at page 1579 of *Hansard*:

> —in the meantime build up alternative industries so that there wil be a cushioning effect on displacement and so that the total economy and the total community will be protected.

The word "protected" is the key word. The purpose of the original policy statement and the intent of the legislation were to assure the miners of Cape Breton that there would be no displacements until alternative work was provided. Therefore, Mr. Speaker, you can readily understand why the minister said that we have to give consideration to the cushioning effect. I would ask the minister when he deals with this question to assure the house that alternative employment will be made available before any miner is displaced.

Let me point out once again that this will be a fairly tricky task to bring about. As I indicated on Thursday, you cannot close out a mine by displacing miners one, two, five or ten at a time. A substantial work force would have to be displaced at one time in order to bring about an orderly closing of any coal mine.

If I may now review the bill and at the same time tie in the statements made by the minister a moment ago, I am of the conviction that coal mining will continue in Cape Breton for a long time to come. The phasing-out period of 15 years that is being legislated for would not necessarily bring about the closure of any colliery; at least, I hope this will not be the case. In this regard I refer to the fact that the sum of $25 million is to be expended on the improvement of mechanization. This should go a long way toward solving the problems faced by the mines at the moment.

In this regard I would impress upon all members of the house the importance of getting this legislation through so that collieries such as No. 20 in Glace Bay and No 12 in New Waterford will be given some financial assistance in order to proceed with modernization as quickly as possible. The same comment applies to No. 26 colliery, which last year hoisted over one million tons of coal despite the fact that it was using obsolete equipment. With this capital expenditure on modernization of equipment in coal mines, it is possible that the remaining collieries will have a long life ahead of them.

May I now deal with a statement made by the minister a moment ago. He referred to the end of the resources in this area. I hope that in referring to the end of the resources he made a comparison between the estimate of coal reserves in Cape Breton by Dr. Donald and that made by Mr. Justice Rand. Apparently they are a long way apart.

As for the bill itself and the acquisition of the Dominion Coal Company interest, I am somewhat concerned about certain recent statements. I understand that very recently in London Sir Roy Dobson informed his shareholders that the assets of the Dominion Coal Company were worth $53 million. I hope the government is not going to use this figure as a yardstick because not too long ago this same company considered its assets to be nothing more nor less than worthless, at least worthless from the point of view of putting them on the market for sale. No private interest or anybody else would have touched them. I hope the government will give serious consideration to the amount to be paid to the company for these assets.

I also hope it will take into consideration the argument I put forward during the resolution stage to the effect that any exchange of funds between the government and the Dominion Coal Company should have the rider attached that this money will be left in Cape Breton to develop whatever industries the people there care to carry on. At the moment I can think of nothing but the further development of the mines, though the money could perhaps be used to better advantage in Sydney in order to diversify the operations of the steel plant. While speaking of the diversification of the operations of the Sydney steel plant, may I

say that I trust that in negotiating any business deal with Dosco in the near future, the government, in order to alleviate concern in the Sydney area, will get from Dosco a firm commitment in respect of its plans for the Sydney steel operations.

I realize that this bill is tied in exclusively with the coal question, and in this regard I would ask the minister to note a few questions I should like to ask so that while we are dealing with the bill clause by clause he can provide answers thereto. I should like to ask him about clause 2 and its reference to the Sydney and Louisburg Railway Company. It is my understanding that this company went out of existence when it was amalgamated with the Cumberland Railway Company. If there is something to be dealt with in respect of the Sydney and Louisburg Railway Company I hope the minister will inform the house.

• (3:50 p.m.)

I should also like to ask the minister to tell us what the situation is in respect of the railway line between Broughton and Louisburg. Why does the bill not provide for taking over this line? That would be natural if the corporation is to take over the assets of the Cumberland Railway Company and the Sydney and Louisburg Railway. What is the intention in this regard if there is no rolling stock or anything else involved? What is the reason for not taking over that section?

It is also of interest to note that there is nothing mentioned about the salaries, fees and expenses of the president, the chairman and members of the board. Perhaps this is not of great importance, but the minister could possibly give an explanation in this regard.

Clause 9 (b) makes reference to the acquisition of all interests of the companies in lands and all personal property located under the waters adjacent to the county of Cape Breton, and later makes further reference to these interests of the companies. I should like the minister to explain this situation. At this time we are waiting for the decision of the supreme court in reference to the ownership of offshore mineral rights. Since this question is before the supreme court, what does this reference mean? How can this bill be interpreted in light of that situation? Does it mean that the federal government is purchasing something to which it has already laid claim in the courts of this land? Perhaps I am misconstruing the whole approach, but in reading the bill it seems that all the interests in the lands under the waters adjacent to Cape Breton are to be purchased from the Dominion Coal Company. Does the government have prior knowledge as to the decision which will be handed down by the supreme court? If not, why is such a move being made, the result of which will be that the government will buy from the Dominion Coal Company something it now claims it owns?

As I indicated, Mr. Speaker, I intend to be as brief as possible so that the very necessary improvements which will follow the adoption of this bill can be commenced as quickly as possible at the collieries I mentioned, namely, Nos. 12, 20 and 26 which are within my riding. Of course, the hon. members for Cape Breton North and Victoria (Mr. Muir) and for Pictou (Mr. MacEwan), will have something to say in respect of the colleries in their areas.

As a result of the establishment of this corporation there will have to be some deviation from a policy announced earlier by the minister to which I took objection. He announced a fixed subvention policy for a five year period. I assume that this policy will have to be changed or eliminated because of the obvious intention of this bill. Perhaps the minister could also make clear to the house the financial status of the Dominion Coal Company in respect of what is owed to the federal government because of loans or other advances. There is a reference in the bill to what is owed to Her Majesty by the Dominion Coal Company.

I will defer any further questions I may have until we reach the clause by clause examination of the bill. I hope the bill will receive speedy passage by the house.

Mr. David Lewis (York South): Mr. Speaker, as I said last Thursday during the resolution stage, I wish it were possible to accept this very important piece of legislation without being forced to criticize some of its basic aspects. When the Donald report came down—I do not have it before me—and when the present legislation was forecast in government announcements, it was made clear that the government was not prepared to accept Dr. Donald's timetable for phasing out coal operations. I am not quoting, but I think I can paraphrase the announcement accurately. The government was determined to gear the phasing out of the coal operations to the development of new job opportunities for those persons who might be affected. I suggest that somewhere during the drafting of this legislation that basic undertaking was lost and seriously departed from. As a result a great number of questions arise in my mind

and in the mind of anyone who studies this bill carefully.

First of all, I find that the corporation is required by law to provide the minister, and through him the governor in council with an over-all plan within one year from the enactment of this legislation. That over-all plan must have in it not only items relating to the conduct of coal mining and related operations by the corporation but also a blueprint for the progressive reduction of coal production by the corporation and the discontinuance of coal production by mines that are not economically viable.

Let me ask the minister how it can conceivably be possible for the corporation to present the government with a plan for phasing out coal production within one year of its establishment and take into account possible new jobs for displaced miners? How is it conceivable that the corporation can do that? Because it is not conceivable I suggest that is why the legislation contains clause 17(4) which deals with the considerations that the corporation has to keep in mind before eliminating or substantially reducing the production of coal.

• (4:00 p.m.)

One consideration it must bear in mind is that such closing down or substantially reducing the production of coal must be within the plan or the amended plan—I am paraphrasing the clause—and the other is that it should take all reasonable measures to reduce as far as possible any unemployment or economic hardship that can be expected to result therefrom. It was my understanding from reading the government pronouncement that after accepting the general principle of dealing with the problem by a crown corporation the government was determined, as it should have been, that there would not be any phasing out of the coal operation until such time as alternative jobs were in fact available.

I say to the minister and to government that they are going to compound the problems of Cape Breton Island and cause increasing hardship for the people of that island if the principles involved in the clause giving the power to reduce coal production, and in the clause requiring the corporation to reduce as far as possible any unemployment resulting therefrom, remain unchanged. I am not suggesting that it is wise for Cape Breton or for Canada to continue operating an industry if it is proven to be an industry which ought not to be operated. I am not at all convinced that this is the case with regard to the entire coal industry or that it is the case with regard to the coal industry in Cape Breton Island. But I am not going to pose as an expert. That is a decision which I am quite prepared to leave to the corporation that will be established.

But it is totally wrong in principle, and does not deal with the problems of Cape Breton Island, to give the corporation the authority to throw miners out of work before alternative jobs are available. This is precisely what this bill does. This is absolutely contrary to the undertaking which the government gave, if I understood its undertaking. This legislation ought to read as clearly as words can make it that the corporation shall not cause any unemployment among the miners until such time as it is satisfied that the other division of the corporation, the industrial development division, has progressed sufficiently to guarantee alternative employment for the miners thus displaced.

It is not sufficient for the minister to point, as he may well do, to the provision in clause 18 (2) with respect to what I suppose may be called lump sum severance pay for miners who become unemployed or are retired early as a result of the reorganization by the corporation of the coal mining industry. I hope the minister believes the statements I am making to be sincere, as I believe every statement he has made to be sincere. I did not have to make this kind of criticism, because I recognize the importance of this legislation. But I say that when the corporation is asked all through this bill to rehabilitate and organize the coal industry so that it will produce "efficiently", which in commercial terms means profitably or at least with as little loss as possible—let me put it that way as in his case it is probably more accurate—the coporation may easily throw hundreds of miners out on the streets before there is alternative employment. Paying them lump sum severance pay will not do anything for them. If they are men of 40, 45 or over, as most of them will probably be because of the age situation among coal miners, giving them a small lump sum—it would have to be small; it cannot be very large—by way of severance pay will not save their lives. They may well not be able to do the kind of thing that is necessary in order to move elsewhere where there may be jobs.

I see no reason for this provision, and I emphasize, underline and repeat this because it seems to me to go to the core of the problem. In my respectful submission the core of the problem is that no coal miner on Cape Breton Island should lose one day's work as a result of the reorganization by the

corporation of the coal industry. Not a single coal miner should be laid off by the corporation until the other arm has created jobs to which those miners may go. Not until then should the closing down of mines or the reduction of coal production take place.

I am very seriously concerned about the general powers given the corporation in clause 17(1) of the bill and the obvious intention that there be unemployment among the miners for a period provided in the last part of clause 17. As I said, this seems to me to be entirely contrary to the definite commitment made by the government that unemployment would not take place and that the reduction in coal production would be geared to the provision of new and alternative jobs for those who may be displaced by such reduction.

I had hoped that the point I have just raised would not have to be made, but I was really shocked, if I may put it that way, by these provisions when I read them for the first time this morning. When we are in committee I hope amendments will be put forward to these clauses. I invite my hon. friends, and I am sure they are friends, of the official opposition who share this view to put forward amendments in this respect. I will be glad to support any amendment they propose to these clauses. If they do not introduce any, I will try to bring forward amendments that will take from the corporation the power to cause unemployment among the coal miners without the provision of alternative jobs.

The second point that concerns me, as it concerned me on Thursday last, is the provision for compensation to Dosco. I shall not belabour the point. I say again that on any basis of equity, morality and social justice the preferred shareholders of this corporation are not entitled to be paid for being relieved of a financial liability, and they are certainly not entitled to be paid out of the public treasury. I regret that the government has seen fit to make provision in the bill for such payment. But I regret something else even more, and that is the abdication by the government of its responsibility in this field.

It is not the responsibility of the corporation to be established to negotiate with the company regarding compensation. That is a direct responsibility of government. Government has to make that decision. Apparently negotiations have taken place and have got nowhere. I judge this to be so because in answer to questions asked by various hon. members we were informed that talks were proceeding with the company with regard to this program. Apparently these talks have not reached a conclusion. The result is that one of the first responsibilities which this bill puts upon the corporation is a matter of public policy which should not be for the corporation to decide but for the government to decide. I appreciate fully that the corporation, if I remember correctly, has to receive the approval of the governor in council before it can actually agree to any particular compensation, but that is not good enough. Surely the right way to do this is for the government, with all the power that the government has and with all the responsibility which it carries with regard to the people of Cape Breton, to the taxpayers of Canada and to everyone else, to negotiate the takeover. When it has completed that job, then the corporation should be given the task of running the industry, modernizing it, etc.

• (4:10 p.m.)

The third point of principle about which I am very much concerned is an omission with regard to the pension provisions. I fully appreciate that clause 18 requires the corporation to provide for the establishment of pension arrangements for those who work for the corporation or who will work for it as well as for those who work for the companies which the corporation will take over. However, I should like to ask the minister—I put this in the form of a question because I have no doubt that he has as much concern about the pensioners of Dominion Coal as anyone else in this house—whether it would not be more appropriate to provide that pensions to be paid to present employees when they retire and to be paid to future employees must also be paid to employees who have already retired so that there will be no difference in amount between the pension received by those who have already retired and the pensions to be received by those who will retire in the future. I think it is of the utmost importance that the men who are now walking the streets of Glace Bay and other communities in Cape Breton Island as the result of the failure of Dosco should not be treated differently from the men who will be working under the management of the corporation to be established under this bill.

If such a provision is already contained in the bill I have overlooked it, but I do not think I have. I do not think there is a provision that the same pension should be paid to present as well as to future employees. I will go beyond that and suggest to the minister

that it would do no harm to the people of Canada if the corporation were also given the power to make a lump sum payment to miners who have been retired over a number of years to compensate them for the heartless cut in their pensions which Dosco imposed some 15 years ago, if I remember correctly.

In short, perhaps the other points I made are points of general principle with which the government and some of us may agree heartily, but I am sure there is no disagreement about the desire of everyone in the house, including every member of the government and particularly the Minister of Energy, Mines and Resources (Mr. Pepin) and the Minister of National Health and Welfare (Mr. MacEachen), to deal fairly with the pensioners. I use the word "particularly" not because the two ministers are any better than the others but because they are concerned about the matter. Their concern about fair treatment for the pensioners equals that of anyone else in the house.

I appreciate the fact that the method used in clause 35 of the bill to bring this matter under federal jurisdiction—of course this is done with the approval and agreement of the province concerned, which makes it easier—is the method provided in the British North America Act, namely, a declaration by the federal parliament that a certain work or undertaking is for the general advantage of Canada. I presume that perhaps this is the basis on which the government deals with minerals at the bottom of the sea or elsewhere, but there is no reason why the government could not have used precisely the same approach in its agreement with the Nova Scotia government to include, as I said last Thursday, the steel industry of Dosco in Cape Breton within this legislative measure.

I and my colleagues are anxious, as is everyone else, to see the establishment of the corporation. If it were not for that we would be very much tempted to talk for a long time until we were able to persuade the government not to do only half a job. It is taking a useful step, and I cannot for the life of me understand why it is so blind as not to see that if it does not deal with the steel industry now it will be faced one, two or five years from now with a serious problem with regard to the unemployed steel workers similar to the problem of unemployed coal mine workers.

I do not want to speak very long and I do not want to repeat what I said last Thursday. The more I learn about the steel operations at Sydney, the more I am impressed by the fact that Dosco is obviously phasing out its steel operations in that plant and that, if the matter is left alone, possibly in a few years' time there will be no Dosco steel plant in Cape Breton. I urge the government to reconsider what the Minister of National Health and Welfare said in reply to a question last Thursday, namely, that he did not think it wise to load the corporation with this added responsibility. I do not know why he should think so. All it would mean would be the addition of more staff and the appointment of a third vice-president.

I hope it will not be said that I have a kind of mania about Dosco but it seems to me, from the years I have spent studying the operations and performance of that corporation in Cape Breton Island, that if the government established a corporation to take over and deal with steel it would have to go a long way to find management more incompetent and yet more desirous of doing a job than the management of Dosco in the decade during which I have been acquainted with its operations. Therefore I have no fears about this being an added responsibility for the corporation. Of course it would be, but it would be a responsibility that it could carry out just as effectively and just as competently as the responsibility to modernize and operate the coal mines. Of course it would require the establishment of a third division, a steel operating division, as well as the coal operating and industrial development divisions, but it is a great pity that such is not the case.

Frankly I would like to understand why, if I am not misreading the legislation, the industrial development division of the corporation seems to be limited and confined to investing in the shares or securities of some other company or person, unless the words in clause 23(f) are to be read as giving the corporation the powers which in my humble opinion it should have. I am sorry the drafters of the legislation did not give the corporation direct authority to build industries and arrange for their running with public funds if that should become necessary. I congratulate the minister and the government for giving the corporation authority to go into partnership with private corporations, which is one way of interpreting the words "authority to invest in the shares or securities of a company". I do not see where, unless I have misread the legislation, the corporation would have the authority to do those things I have mentioned. I do not see in the legislation direct authority for the corporation to set up an industry itself, to buy the necessary plant

and equipment and to set up the necessary management for the running of an industry if in the opinion of the corporation—not in my opinion—public investment in a publicly owned industry is the most desirable way of providing and diversifying employment in Cape Breton. If that was intended it should have been spelled out.

• (4:20 p.m.)

As one who has tried, in common with other hon. members of the house, to interpret statutes I have grave doubts that the corporation would be able to do those things without the specific authority being spelled out. The general nature of subparagraph (f) would not be sufficient, in my opinion—

Mr. Churchill: What about subparagraphs (a) and (b)?

Mr. Lewis: I have read the clause carefully and if I have misread it I wish to be corrected. Clause 23(1) (a) gives the corporation authority to lend money to a company or person with or without interest, to make grants to any company or person, or to invest in the shares or securities of any such company or person. The wording does not give the corporation the authority to establish and run a company—in other words, to set up a company. There is, of course, the authority to invest in shares, etc., of a company. The corporation may acquire 100 per cent of the shares—I appreciate that—and thereby acquire title to that company and operate it as a public company. I have not lost sight of that.

I wonder whether there is language in the bill giving the corporation not merely the authority to acquire a business but the authority to establish a business from the ground up. If that was intended then I would ask the minister to consider making it clear by using language to that effect in the bill. I did not find such authority and I should like to see it in the bill.

It may well be that in the judgment of the corporation to be set up by this bill no existing private company can do the job that is necessary in a particular area and that the way to do the job is to set up a public undertaking from the ground up. That entails building the plant, buying the equipment and setting up the staff operation as well as the management and sales side that any new business normally would require. I repeat that if the minister intended that situation to come about it is desirable to spell it out, unless he can show me language in the bill which makes such spelling out unnecessary.

One could speak at greater length but I shall not because I know other hon. members desire to speak. May I summarize my two main complaints against the bill. First, it clearly contemplates throwing miners out of work before alternative jobs are provided. This is contrary to the government's undertaking and to the best interests of the people of Cape Breton and Canada generally. Second, the government has failed to deal with the other industry in that part of Canada which is in distress, an industry not employing as many people as the coal industry but one on which the community nevertheless depends to almost as great an extent as it does on the coal operation. I still hope that before this bill becomes law—perhaps it could be done through separate legislation and if so I do not care—the government will give serious consideration to entering into the steel field in Cape Breton for the same reasons and on the same basis as it is entering into the coal operation by means of this bill.

Mr. H. A. Olson (Medicine Hat): I have no desire to delay this bill, Mr. Speaker, but in committee last Thursday I raised a number of questions that the minister could not answer because he did not have the committee's unanimous consent. I felt that he dealt inadequately with these matters today. No price has been mentioned for the compensation of Dosco. The minister has laid out three ways in which the corporation will have authority to negotiate with Dosco, if I am using the right words, and it seems to me that at this stage of the bill, when the House of Commons is being asked to accept it in principle, we should have some indication of how much the cost will be to the federal treasury.

It is not sufficient for the minister to say, as he said last Thursday, "We do not know." The minister, his department and other ministers have had previous discussions with the company and they must have some idea by this time of the basis of settlement and what the price of that settlement will be. Will it be based on the value of the salvage that can be obtained from the mining operations? That would be one basis for settling the amount of compensation, and that is provided for in clause 9. Is the settlement to be based on some other, arbitrary figure? There is provision to send the matter to arbitration but that has not been spelled out. Surely at this stage, as was said a few moments ago, the House of Commons has a right to know the basis for

the settlement and what the price will be. Many in this house are unwilling to approve of federal expenditures for something that in essence has no commercial or market value.

I am not against giving approval for a reasonable amount of money to deal with economic depression in any area of Canada and the consequent social problems that arise from that depression, but I am against giving what might be referred to, if I have read clause 9 correctly,—a blank cheque. It seems strange that the minister should place a limitations of $20 million on the amount that the government will be authorized to spend for new economic development and yet not fix the maximum amount that may be paid for alleged assets which have no commercial or market value in the normal sense of the word. No figure at all is given. It is clearly stated in clause 19(1)(b) that an amount not exceeding $25 million may be used for the purposes of reorganizing and rehabilitating the coal mines. In clause 19(2) it is also stated that the outstanding amount of working capital shall not at any time exceed $10 million. That is the limit of the amount which can be advanced by the Minister of Finance. Nevertheless in clause 19(1)(a)(i) no limit is placed on the amount to be made available for the acquisition of some valueless property.

• (4:30 p.m.)

I am apprehensive about this situation. Why is it that a limit has been placed on the amount which can be spent on the renovation of the industry after it has been acquired, and on the development of new industry, while no such limitation has been placed upon the amount which can be spent on the acquisition of the present equipment and installations? I am sure the minister could give us some indication of the amount if he chose to do so. There have already been negotiations. I believe he is even now in a position to tell us the approximate amount or at least a maximum amount. Surely he can tell us the basis upon which the government intends to arrive at the figure which will have to be paid by the treasury.

The minister has not yet dealt satisfactorily with this point. The sum of $25 million is available for the rehabilitation of the present coal mining industry. Another $20 million may be used to develop new industry, plus between $25 million and $30 million annually for subventions to offset the losses incurred by the operation of the coal mining industry. We do not know how long these may have to continue. Then there is the amount to be paid for the assets. At this stage when we are considering Bill No. C-135 in principle, members of the House of Commons have a right to know what the anticipated total charge against the federal treasury is likely to be before effect can be given to the provisions of this measure. I sincerely hope that the minister or his colleague, the Minister of National Health and Welfare, will give us better answers to these questions than they have done already before they ask the house to pass a measure which constitutes virtually a blank cheque.

If hon. members will look at clause 9 (d) they will find that the corporation is empowered to acquire property as there set out;

> —by purchase for a consideration and on terms to be established in such manner, other than by agreement, as the Corporation and the owner thereof may agree upon;

I am not sure what is meant by that phrase "other than by agreement". Does it mean by arbitration? Presumably Dosco would have to agree to arbitration before the issue could be settled in that manner. As a result of the different ways in which the purchase can be made the corporation, with the support of the government, is certainly left with a free hand to arrive at the purchase figure and there is no maximum price tag to be considered. The members of this party have no objection to approving the spending of a reasonable amount in order to deal with a serious economic problem, but surely we also have a right to know what the bill will come to. I believe that both the Minister of National Health and Welfare and the Minister of Energy, Mines and Resources have some idea right now, as a result of their discussions with Dosco, of what acquisition is likely to cost.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, it is my pleasure once again to follow the hon. member for Medicine Hat (Mr. Olson) as I did on Thursday last. I commend him once again for his comments. We in the east appreciate the interest he has taken in this legislation. He has spoken words of wisdom and I am sure we all agree with what he said concerning compensation to the company. This point was also dealt with on Thursday by other hon. members.

The bill before us today is a far cry from some of the statements and proposals made prior to 1962 and 1963 by hon. gentlemen who are now government spokesmen in connection with what they intended to do for the coal industry in the maritimes. We are today attending what could be called the funeral of the coal industry, and the chief pallbearers

are the Minister of Energy, Mines and Resources (Mr. Pepin) and the Minister of National Health and Welfare (Mr. MacEachen).

Mr. MacEachen: And the premier of Nova Scotia.

Mr. Muir (Cape Breton North and Victoria): Yes, I would add, as the minister has just suggested, the premier of Nova Scotia.

Mr. Knowles: A lopsided pall.

Some hon. Members: Oh, oh.

Mr. Muir (Cape Breton North and Victoria): If the hon. gentleman from Inverness-Richmond would only hold his tongue I could continue. He seems to be interrupting a lot these days and getting into all kinds of difficulty. If he had only held his tongue for a moment and waited until I had finished, it would have been better. We are attending the funeral of the coal industry, if this legislation does not do all it is supposed to do. It has been pointed out that there are weaknesses in the legislation. I am sure hon. members will agree with me when I say that in any legislation brought down by any government there is always room for improvement. And I think there is room for improvement in the legislation with which we are now dealing.

Let me go back a few years just to remind the Minister of National Health and Welfare of some of the activities which have taken place in the past. I have before me a clipping from the Halifax *Chronicle-Herald* of January 30, 1962. At that time the Liberal candidate in Inverness-Richmond, now Minister of National Health and Welfare, was successful in getting an additional resolution approved by a council set up in connection with a meeting of Liberals in Ottawa to consider proposals for the future of the coal industry in the maritimes. This resolution, the report says, ratified a proposal whereby cheap or free electrical power from coal for the use of new and existing industry would be attempted under a Liberal administration. The resolution read:

> The national council suggests the proposal made by the national leader of the Liberal party, Hon. L. B. Pearson, that a new Liberal government will attempt to work out a practical policy to provide electricity from coal at low cost or even free for a period of years to new secondary industries and expanding existing industries.

Farther on in this resolution, described as a new policy statement, we find:

> 2. Directing the Dominion Coal Board to consider with labour and managements the possibility of new mine openings in the coal areas with a view to improving the competitive position of the product in the Canadian market.

• (4:40 p.m.)

We now have this legislation which bears no similarity to those brave words uttered at the meeting held by the Liberal party in Ottawa in 1962.

Over the months and years the hon. member for Pictou (Mr. MacEwan), the hon. member for Cape Breton South (Mr. MacInnis) and others have stated their feelings about the future of the coal industry and those employed in it—the miners and the people in supervisory positions in the coal mines run by Dosco. In our statements both inside the house and outside we have made our feelings known with regard to what should be done on behalf of those who are going to be affected.

There are many questions that could be posed with regard to this legislation. As we go along I hope the minister will see fit to reply to the various questions that have been posed and will be posed. We attempted to get answers to questions on Thursday last but despite the fact that members in all parties on this side of the house agreed that the minister should be given time to answer, objection was raised by the Minister of National Health and Welfare. I tried to assist by suggesting that both ministers could have a rest over the week end and return today fully refreshed ready to answer all questions. I am sure the Minister of Energy, Mines and Resources will do his utmost to provide the answers. When he began his remarks today he spoke in his mother tongue and because the translation was not too clear I did not catch what he said about whether he would be in a position to answer questions later. As we go through the bill clause by clause I hope the minister will provide a full explanation of each clause. With all due respect to my colleagues in the house, of the legal fraternity, I am sure we all agree that we have to read not only the lines but what is between the lines in the legislation.

I hope the minister will assure the house that when the corporation is set up no one in a supervisory capacity in the coal industry in Nova Scotia or in the general work force will be purged. I am sure I do not have to speak for the union, the United Mine Workers of America. They are well able to take care of themselves.

I hope that the hon. member for York South (Mr. Lewis) in his remarks about incompetent management, and in many other

harsh statements he made with which I fully agree, was not referring to local management.

Mr. Lewis: Oh, no, corporation management.

Mr. Muir (Cape Breton North and Victoria): We have men in supervisory positions in the coal mines who have devoted their lives to working for Dosco and the Hawker-Siddeley group and have done an excellent job. I would not like anyone to think that if hon. members damn what is loosely termed the management of Dosco they are referring to men who have worked so hard for the coal industry in Nova Scotia. I think in particular of men like Harold Gordon, who has now retired, of his successor, and of others in the industry who get along well with the work force and who have good relations with the union.

As I mentioned on Thursday, the hon. member for Cape Breton South and myself have brought the pension aspect to the attention of the house on previous occasions. I have no doubt that if a satisfactory arrangement is not made now we will be doing so again on other occasions. Surely the minister will give us some information about pensions apart from what is contained in clause 18.

Clause 17 provides that the corporation shall submit "not later than one year after the coming into force of this act...an over-all plan for the conduct of coal mining." They will be miracle men if they can decide within one year what the future of coal is going to be. If they come to the minister's office within a year and say, "Look, the phase-out period should be reduced to five years or ten years, regardless of who gets hurt," what will be the reaction of the minister and the government? I hope the minister will outline in detail just what is meant by clause 17(1).

I do not see any need to prolong the debate or delay passage of this legislation provided we get answers from the government. Here we have a situation that is most unique. The taking over of an industry has never happened previously but apparently this is the only answer, or partial answer. I think the minister will agree that the task is not going to be easy. It is going to be difficult to make plans for the future. Possibly this legislation will have to be amended within a short period of time because many things could arise that were not foreseen when the legislation was drafted.

The most important items covered by the legislation are the pension problem and alternative employment for men taken out of the coal mines. It is taken for granted in Cape Breton and throughout Nova Scotia and the maritimes in general that not one man will be thrown out of employment until alternative work is found for him by the new corporation. We cannot emphasize this enough. I am sure that the Minister of National Health and Welfare, our cabinet representative from Nova Scotia, fully agrees with this viewpoint.

• (4:50 p.m.)

With regard to future relations between the corporation and the operators of the mines —here I am thinking of the workers—I can see nothing but success provided the workers are dealt with fairly. There have been good industrial relations in the coal mines for many years. There have been problems, of course, because the men have had very difficult situations to face. They have been confronted with trials and tribulations over the years. However, there has been co-operation with the supervisory staff at the Dosco mines, who after all have to deal with nine different unions, and considerable success has been achieved through union co-operation.

This co-operation has been brought about through the establishment of modern techniques in industrial relations as well as by the fact that the personnel concerned, both those in a supervisory capacity and the members of the unions, have done their jobs and done them well. They are interested in the coal mining industry and in its future.

I understand that production at Dosco at the moment is in the vicinity of 2.5 to 2.9 tons per man. I am open to correction on that; I am not sure of the figure.

Mr. Pepin: It is 2.6.

Mr. Muir (Cape Breton North and Victoria): I thank the minister. Under the national coal board in Britain I am informed that production is 1.5 tons per man. I should think that when the mines in Nova Scotia are taken over by the corporation and modernized, production will perhaps increase to 3.5 tons per man-day. If this is the case it will be better for everyone concerned—the men at the coal face in whatever capacity they are employed, the men in the supervisory positions and the corporation itself. Let us hope, Mr. Speaker, that this will come about as a result of the operations of this corporation in co-operation with all those involved in the extraction of coal from far beneath the surface.

The only other thing I wish to say, Mr. Speaker, is that we will be watching this legislation as we go through the bill clause by

clause. I trust that the minister will be in a position to give us all the answers we are seeking with regard to the terms of the bill.

Before I resume my seat may I say I regret that there has been no arrangement made for those workers engaged in the production of steel. As I said on Thursday last, although this is not a policy of mine I see no other alternative at the moment, in view of the sad and serious situation in which the steel industry in the province of Nova Scotia finds itself, to putting the industry under the same sort of control as that to be exercised over the coal mines. As I say, I find it regrettable that the government has not seen fit to do something to remedy the situation. I hope that the minister from Nova Scotia, the Minister of National Health and Welfare, will have something to say about this question in a few days. I do not care whether he makes his announcement from the top of this building, in the chamber, out on the street or to the press; we will not resent it. I am sure that the hon. member for Cape Breton South and I will applaud the minister if he announces that the government has decided to stockpile steel so as to tide over the work force in the steel plant at Sydney during this difficult and trying period.

In other parts of Canada steel plants are operating at 100 per cent capacity; yet in Sydney, Nova Scotia, the workers are faced with lay-offs week after week. As the delegation that came from Sydney representing all segments of society on the island intimated to the Prime Minister (Mr. Pearson) and to the other cabinet representatives at their meeting the other day, something must be done. Men with 20 to 25 years service in the steel plant at Sydney are being laid off and they do not know when they will return to work. These men do not know when they will receive their next pay cheque.

At that meeting a somewhat unusual suggestion was made, but in unusual circumstances we sometimes have to do unusual things. It was suggested that perhaps the government might consider purchasing soft steel from Dosco and stockpiling it, thus keeping the plant operating for a period of two to three months. I hope that something will be done about this suggestion or that some statement will be made about it. I observe a look of relief on the face of the minister of mines. He is saying to himself "I have enough problems without having to answer for the steel plant at the present time". But with his assistance perhaps the Minister of National Health and Welfare and other cabinet ministers will be reminded that something must be done about this most tragic situation at the Sydney steel plant. If lay-offs continue at this rate, in view of what is being forecast and predicted close to 1,100 men will have been laid off over a period of six months. This is a very bad situation. Steel is the basic industry in the city of Sydney.

I wish the minister well in the passage of his legislation. I also wish him well in his future dealings with the corporation. Although he and I have not seen eye to eye on many occasions, I have always found him to be most co-operative and congenial. Certainly the pattern he has set as minister could be adopted by others who sit on the treasury benches who are always so loaded with sarcasm. When you ask them something, Mr. Speaker, they cannot even look at themselves. If only they knew that this was the most difficult way to get co-operation from the opposition under our form of government. A cabinet minister should be co-operative and try to smile and work with members of the opposition, even though inwardly he may be saying to himself "I hate that son-of-a-gun".

Mr. Pepin: I never would even think of that.

Mr. Muir (Cape Breton North and Victoria): The minister is a smart cabinet minister. He is getting something done by providing answers and co-operating, by doing everything he can. But several of the ministers on that side of the house are only too ready to look down their noses and give nasty, sarcastic replies to members on this side who in all sincerity are trying to assist their constituents or are dealing with something of nation-wide importance. With those few words of, shall I say, advice to the minister, though I do not think he requires any advice so far as co-operation is concerned, I will resume my seat. I reserve my opportunity to say a few words later when we deal with the clauses of the bill.

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I should like to follow my hon. friend the hon. member for Cape Breton North and Victoria (Mr. Muir), and compliment the minister most highly, but I will only do so on one condition. It is one I put forward when the resolution was before the house, namely, that the bill be enlarged and widened

to include the Dosco-owned mine in my constituency. The minister said he could not answer some of the questions during the resolution stage but I certainly hope he will do so in the committee stage, perhaps on clause 1. Again I submit to him that the McBean mine in my constituency owned by Dosco should be included under this legislation. If I may put it this way, the adoption papers have been drawn up but the orphan, as it were, has not been included. I should like to know what the situation is so far as the natural parent, Dosco, is concerned. What is the situation in this regard?

• (5:00 p.m.)

This afternoon I received a telegram, as presumably the minister and others did, from the president of the New Glasgow and district labour council. Perhaps I should read it for the record. It is addressed to me and states:

> The New Glasgow and District Labor Council support you and other M.P.'s in your arguments for the inclusion of the McBean mine in the legislation establishing the Dosco controlled mines as a crown corporation. It is our contention that Thorburn colliery should not be phased out until such time as permanent alternative employment can be found for the McBain working force.

It is signed by Donald R. Murphy, president of the New Glasgow and district labour council. This outlines the suggestion I put forward during the resolution stage, that there should be no phasing out of this mine until one of two things or a combination of both have been done, namely, the establishment of a new mine in the area and/or a guarantee of alternative employment for the some 400 men employed at the McBean mine.

The Minister of National Health and Welfare (Mr. MacEachen) was quite fair when he spoke on this matter, but I cannot agree with certain things he said. He is reported at the bottom of page 1579 of *Hansard* as having said:

> We are gratified, that among all the areas of Nova Soctia, in recent years Pictou county has made marked industrial progress.

I agree with that statement. The minister then went on to say:

> It has made marked industrial progress because of the operation of Industrial Estates and because of the funds channelled into Pictou County from the Atlantic Development Board. As my hon. friend will realize, these were very large amounts indeed.

Let me point out that the largest expenditure in Pictou Country by the Atlantic Development Board was $12 million to assist the Nova Scotia power commission in setting up a new thermal power plant at Trenton,

which will increase its capacity to 150,000 kilowatts. I believe it will be the largest coal-burning thermal power plant east of Montreal.

I cannot understand why this legislation does not make reference to the future of the McBean mine in view of the fact that $12 million is being spent by the Atlantic Development Board on a power plant actually located in the backyard of this coal mine. The mine is now producing coal for the plant at Trenton, and, as I pointed out at the resolution stage, the new plant will require approximately 400,000 tons of coal per year. The only thing that can be done as an alternative is the establishment of a new mine in the area, which would look after some of the slack and provide alternative employment.

I posed some questions to the minister regarding the agreement between the government of Canada and the government of the province of Nova Scotia. I hope he will answer those questions. I take it he will not amend this bill in order to include the Dosco-owned McBean mine, but I implore him to do so at this time. Perhaps the minister will also answer the questions I asked regarding the equipment which has or will be purchased by the Dominion Coal Board for use at Dosco mines and whether any of this equipment will be allocated to the McBean mine. I understand that to keep this mine in operation until all the coal can be exploited some of this equipment is required immediately. Will some of this equipment to be leased by the Dominion Coal Board be used by Dosco at the McBean mine?

I hope the minister will answer the questions I asked regarding the agreement between the government of Canada and the government of Nova Scotia. The importance of independent mines in Cape Breton has been pointed out. These independent mines will now become the entire responsibility of the Nova Scotia government. It has been announced that subventions are to be eliminated in respect of certain mines, and I should like to know what the situation will be regarding the McBean mine. Will subventions continue to be paid for coal going into areas beyond the Atlantic region and will the Atlantic Provinces Power Development Act continue to be enforced?

All these things should be cleared up as well as the points raised by my colleagues. Certainly clause 18 regarding pension arrangements should include the McBean mine. I do not have the statistics with me, but a

breakdown was made not long ago of the ages of the employees working in this mine. It could very well be that some of them could come within the terms of clause 18 and be provided with adequate pensions. I do not know whether that is a fact but along with my two colleagues, the hon. member for Cape Breton South and the hon. member for Cape Breton North and Victoria, I will be listening to what the minister has to say about clause 18.

The hon. member for York South (Mr. Lewis) referred to compensation. All I can say in this regard is that whether or not an agreement is reached between the corporation and Dosco, or whether arbitration or expropriation takes place, something should be done without delay. We do not know whether an agreement is imminent but we have read in the newspapers that a committee was set up by Dosco to meet with the minister and various officials of the federal government. In any event, let us not waste any time. We should go ahead either by agreement, arbitration or expropriation at an early date.

I do not have anything more to say except to ask the minister again to widen the bill in order to give an assurance to the people in the mines, the officials, the clerical force, those on the surface and at the wash plant at Stellarton that when the resources of this mine have been fully exploited a new mine will be opened or alternative employment opportunities guaranteed. There is still time for the minister to amend the bill before we go into committee. I do not intend to say anything more but I will have more to say in this regard when we reach the committee stage.

I support my two colleagues and the Minister of National Health and Welfare who is also from Cape Breton. I believe that my area should also be included in this legislation. This whole matter has been of crucial interest to me throughout the years. I was associated with independent mines in the town of Westville. I was able to work there during summer vacations to help pay for my education. My father managed the mine in the town of Springhill where a great explosion occurred. Among the people who were killed were some of my school chums. Because of this I am familiar with the Dosco and independent mining operations. I again ask the minister to amend the bill and answer the various questions which have been put to him. In the committee stage we will exercise our right to deal with this very important bill clause by clause.

Mr. Deputy Speaker: Is the house ready for the question?

Some hon. Members: Question.

• (5:10 p.m.)

Mr. MacInnis (Cape Breton South): Mr. Speaker, I am sure it is the hope of hon. members that the minister will reply to the questions asked. That is why I made my remarks as brief as possible. I associate myself with what has been said by other hon. members.

Mr. Deputy Speaker: Order, please. Is the Chair correct in assuming that the hon. member has already spoken on second reading of this bill?

Mr. MacInnis (Cape Breton South): That is right, Mr. Speaker. In order to get some continuity I just wanted to ask the minister to give some indication of how he intends to answer the questions posed.

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. Pepin: Mr. Chairman, I think I should first try to answer some of the rather general questions asked. Perhaps I could leave the more specific questions for the clause by clause study of the bill. The hon. member for York South has already remedied some of the rather disagreeable things that were said the other night on the subject of subventions. If I referred so extensively to subventions, call them what you will, the $200 million spent in the past, the $31 million spent last-year and the $27 million that could be spent next year, there was certainly no attempt on my part to shame the miners. I was simply trying to underline the fact that all this money could be used to better avail. I was trying to convince my colleagues of the necessity to move as fast as we can in broadening the economic base of Cape Breton.

I point this out, Mr. Chairman, because the other night I had the feeling that I was being pushed on the side of the big power corporations in this country. The hon. member for Longueuil is the son of a mailman, the hon. member for Inverness-Richmond is the son of a miner, and I am the son of a railroad man. I do not have the feeling of representing the big corporations of this country. This was rather implied in the debate and I did not particularly like it.

The second point with which I should like to deal concerns the inclusion of steel in the

present legislation. Several hon. members have raised the point that we should add steel to coal under this legislation. Neither I nor the Liberal party are opposed to nationalization in principle or practice, because that is exactly what we are now doing. But I think one must not abuse nationalization. I believe this is the way the majority of the population feels. If we were to take over Cape Breton steel production today there are many other fields of mining in Canada, gold mines, for example, that might claim a similar advantage. Other areas of the Canadian economy which are subsidized might request similar treatment. As a general theory I believe that nationalization should be brought about very sparingly indeed.

My own opposition to the proposal that steel be included in the legislation is certainly not a theoretical one. I simply feel that this development corporation will be busy enough dealing with the subject of coal that it should not also become involved in steel. But of course everybody recognizes that indirectly the development corporation will contribute by its success in the industrial development field to the improvement of the economic situation in the island, and consequently indirectly to the situation in the steel industry. If I believe the newspapers, this is the way the premier of Nova Scotia feels; if I can believe my own ears, this is also the way the coal miners of Cape Breton feel, namely, that this corporation should be directly involved in their operations even if indirectly it can have an influence upon the whole of the economic situation in Cape Breton.

My third main point concerns the phasing in, phasing out question. The hon. member for York South seemed to be saying that there is nothing in the bill on that subject though he realizes it was in the Prime Minister's declaration of December last. I was rather surprised to hear the hon. member quoting at length from clause 17 and not mentioning the end of clause 17 (1). This clause deals with the plan. It is said very specifically at the end of clause 17 (1) that the plan shall take into account progress in providing employment outside the coal producing industry and in broadening the base of the economy of Cape Breton Island. I think the relationship between the phasing in of industry and the phasing out of coal mining is very clearly stated in that clause. You find the same idea in the preamble to the bill at the bottom of page 1:

> —and the progressive withdrawal of the corporation from such production in accordance with a plan that takes into account progress in providing employment outside the coal producing industry and in broadening the base of the island's economy;

[Mr. Pepin.]

It seems to me that this relation is quite clearly indicated in the legislation. It certainly corresponds with previous commitments by the government and with what I and other ministers have in mind. So there is a relationship between phasing in and phasing out. It is a relationship only There is no doubt, in view of what the hon. member for Cape Breton South has been telling us, with which I entirely agree that it is very difficult or even impossible to phase out one mine because it becomes totally unproductive. So the phasing in, phasing out program will be in blocks of people. That is the way I see it.

With regard to the argument put forward by the hon. member for York South, it might not be possible to make sure that "no coal miner will lose one day's work." I think he was overenthusiastic and perhaps he was overdoing it when he said that, because it is quite possible that some miners will lose a few days work in the process. The important point is that they should not be hurt in the process. That can be taken care of by other methods, and I am quite sure my hon. friend would agree with me on that.

• (5:20 p.m.)

The hon. member for Medicine Hat, in a moment of distraction I am sure, asked me to mention specifically what the timetable for phasing out would be. Of course it is impossible to do that, and I am quite sure the hon. member for York South has agreed with me in one of his first interventions in this debate. As I have indicated before, we have certain objectives. In principle, this is a 15-year operation. We want to come down to a level of production of two million tons as soon as possible and we will ask the corporation to provide us with a plan. The rest, of course, will depend on circumstances. Unless one can see into the future, one must realize that these circumstances may either be more or less favourable than what we expect. As an optimist I think they will be more favourable than the committee may think today.

It has been said by newspapermen that I do not seem to be too enthusiastic about this legislation. On the contrary, I am extremely enthusiastic, but in view of the recent developments which have occurred in the steel industry and in view of my inbred realism with regard to the situation, I cannot boast that the passage of the present legislation marks the beginning of a very rosy future. I

am not sure enough of that, but my information and instinct tell me that this is the right course to take and that there is a future for Cape Breton. There are some indications pointing that way. However, I cannot anticipate the future. Two years from now there may be five new major industries in Cape Breton. I do not know. But if there are five new industries we will be able to phase out coal more rapidly than if there are only two new industries. So it is impossible to be more specific about the rhythm of the phasing in and phasing out.

On the subject of compensation to Dosco, again I was rather surprised that the hon. member for Medicine Hat apparently ignored clause 12 of the bill now before us. Clause 12 (1) (a) specifically defines what should be taken into consideration when establishing the amount of compensation. It reads:

> (a) it shall be assumed that all subsidies, subventions and other financial assistance provided under the authority of the Parliament of Canada directly or indirectly...were terminated on June 15, 1967...

So the company cannot say "we are used to receiving subsidies from you and this is part of the assets of the company" or "subventions are a moral commitment on the part of the government which should be taken into consideration". We do not want this to happen so we exclude this specifically from the criteria to be used in establishing compensation. Another point is that the $2 million worth of machinery or equipment which has been leased to the company by the Dominion Coal Board should not be taken into account. On page 7 of the bill it is also stated very clearly:

> ...the outstanding balance of principal moneys, together with accrued interest thereon, owing to Her Majesty pursuant to an agreement...

In other words, the money owed by Dosco on the federal government loan should be taken into consideration in establishing the compensation. So it seems to me that this could have been an answer to the hon. member for Medicine Hat.

On the subject of pensions, the hon. member for York South seemed to say that nothing will be done for the former employees of the companies. He must have been tired this morning after the week end, when he read the bill.

Mr. Lewis: I did not say that. I said there was nothing to guarantee that the pension arrangements for the former employees will at least be equal to the pension arrangements for present and future employees. I did not say the government has not done anything for them. Obviously clause 18(a)(ii) provides that they are to have a pension.

Mr. Pepin: I take back what I said about the hon. member being tired this morning. I was barking up the wrong tree. Nevertheless clause 18(a)(ii) provides that arrangements will be made for persons "formerly employed by the companies in connection with the coal mining and related works." So they are covered as well as the present and future employees of the corporation. I agree there is no indication of the level at which they will be covered, but one has to use one's own good judgment and I dare say the corporation would not be less generous to past and future pensioners than it will be for present pensioners. Since I hear no reaction from anyone, I would think this is acceptable.

Mr. Lewis: The minister must not assume that at all. I will make a suggestion to him when we reach that clause.

Mr. Pepin: I think I could not live another five minutes without answering the hon. member for Pictou concerning the future of the McBean mine. I confess immediately that no final decision has been taken with regard to it. However, I should like to make a few comments.

The first point is that the mine is not located in the Sydney coal field defined by the present bill. It is not in an area described as "an area of national concern". Pictou county apparently is not by far in as bad shape as is Cape Breton or the Sydney-Glace Bay area in particular.

I am sure my hon. friend would agree with me that there would be a danger of establishing a dangerous precedent if the McBean mine were covered under this legislation because other mines in Canada as well as other mines in Nova Scotia have been, are being, or will be closed. It should be evident to everyone there is a danger that in similar situations people might be knocking at our door asking us to help them close their mines. May I repeat that the aim of this legislation is not to close mining operations in Canada but to protect communities which are in danger as a result of a rather general downward economic movement. So I think my hon. friend, who knows his area is developing economically, would not want to say that the McBean mine is in exactly the same position as are the other mines in eastern Cape Breton.

Cape Breton Development Corporation

The second factor to bear in mind is that McBean has nearly exhausted its coal reserves. The company informs us that the mine will have to closed by December, 1968. It will have to be closed at that time if it is not closed soon and, as we have been reminded by the hon. member for Cape Breton South, one cannot phase out a single mine, it has to be done in one step. This is a very important fact. The mine has only a year and a half to two years of life, economically speaking.

• (5:30 p.m.)

My third point, which I think is a very important one too, is that we have made an offer to the company to continue the subventions at the present level. The company implies that this is equivalent to asking them to close the mine because they cannot live on the present level of subsidy. They need an extra $3 a ton to keep it going. To keep the mine going for another year and a half or two years then means that we must spend $1.5 million, $2 million or $2.5 million, and I submit in all honesty that there might be better ways of using this money than simply to prolong the life of the mine. We must bear in mind that the operation must be performed in a year or two. The operation must be performed sooner or later. It is traumatic, sad —you can use any word you care to use— but it must be performed. We have no choice. It is not a matter of should we or should we not bring this mine to a close; it must be closed for lack of reserves.

As the hon. member for Pictou mentioned, a private operator may wish to take over the mine and continue operating it for a certain time. Even if the corporation does not take over the McBean mine—and I shall come back to this later—clause 16(d), in particular, gives the corporation authority to help. I shall do my very best to help in this process and I assure the hon. member for Pictou that I do not intend simply to look at the matter and let it slide by. If the closing of the mine is decided on now, or in three months or five months—I do not know exactly when it will be—we shall bring in all possible federal and provincial support to soften the blow. Perhaps the $2 million that will be saved might go toward helping the McBean mine. On the other hand, if we are to spend $2 million and then perform the operation I have spoken of in one and a half or two years, my case will be much weaker for wishing to do something special for the McBean mine. Again, we shall do everything to help that we can legally.

[Mr. Pepin.]

With respect to the distribution of the $2 million worth of equipment purchased by the Dominion Coal Board, as I have already written to my hon. friend, the decision is left to the company. I am told that in the McBean mine geogological irregularities have restricted the application of mechanical operating methods. There is no automatic coal cutting at McBean, and the equipment is mainly of that sort.

With respect to the hon. member's reference to Trenton, when he said that the power station was using McBean coal and that it would go on needing that coal he was quite correct. Trenton will need coal even after 1968 when the mine will be closed. I can understand his plea, but the fact that Trenton will sooner or later have to develop new sources of coal should also be borne in mind.

With respect to the Atlantic Provinces Power Development Act, as has been said, the authority for the power subsidy continues to November, 1969, and we have no intention at the moment of bringing it to a premature end. I am not in a position to say what will happen to that legislation in the future.

I have tried in my remarks to bear in mind the words of the hon. member for Cape Breton North and Victoria, and I hope I have smiled enough during my presentation for hon. members, who have been so willing up to now to expedite the passage of this bill through the normal processes, to continue in that spirit.

Mr. MacInnis (Cape Breton South): Mr. Chairman, I would request the minister to consider some questions which have been posed to him. Some of his answers have been repetitious. Nevertheless I wish to ask some questions again.

During his remarks he referred to the matter of compensation to the company and said that as of June 15 the subvention payments to the company would be taken into consideration in arriving at compensation. I am afraid I do not have the exact language of the bill nor can I put my finger on the exact clause, but I recall that the bill uses the word "prior". Am I to take it that the subventions which have been paid since the policy was originated will be considered? Will this mean that the company will be taken over without consideration being given to its value of $53 million or $55 million? I have found the clause now. Clause 12 (1) (a) reads:

(a) it shall be assumed that all subsidies, subventions and other financial assistance provided under the authority of the Parliament of Canada directly

or indirectly to or for the benefit of the companies or for which under such authority the companies were eligible prior to the day the property was so acquired, were terminated on June 15, 1967...

Mr. Lewis: The operative words are "eligible prior".

Mr. Pepin: That simply means that in order to assess the compensation level the corporation shall act as if the subsidies had ended June 15. That is to exclude the idea, principle and reality of subventions as having any value for the corporation in the assessment of the compensation level.

Mr. MacInnis (Cape Breton South): The subclause reads:

(a) it shall be assumed that all subsidies, subventions and other financial assistance provided under the authority of the Parliament of Canada directly or indirectly—

Does this mean that in arriving at the compensation level the subvention payments which have been made to the company will be deducted from the purchase price?

Mr. Pepin: No. You cannot erase the past.

Mr. MacInnis (Cape Breton South): I wish to touch on a couple of other matters that the minister mentioned. On these the hon. member for Pictou is better qualified to speak than I am, though I have an interest in them because they involve a union of which I was a member for many years. The minister intimated that the agreement with the McBean mine has not been finalized. Does the minister realize that in this legislation the matter can be finalized? The hon. member for Pictou of course, will deal with this more fully on the appropriate clause.

The minister referred to the development corporation and to five possible new industries to be established. Considering that this legislation was drawn up to co-ordinate development and to phase out the coal industry, will the minister give an assurance that the miners will have available to them other jobs under the industrial development program?

• (5:40 p.m.)

Mr. Pepin: Would the hon. member mind repeating his question? I did not understand it clearly.

Mr. MacInnis (Cape Breton South): I asked the minister whether he is prepared to write into the legislation an assurance that jobs provided as a result of the activities of the development corporation under the second part of the legislation will go first of all to miners who have been displaced.

Mr. Pepin: I do not think I should make that promise. The first intention of the bill is to rehabilitate the collieries and operate the mines. The second is to broaden the economic base in Cape Breton. It may be that the industries which will settle there are not suited to persons who have spent 20 or 25 years in the mines. We do not want to be committed to the sort of undertaking the hon. member seeks and I do not think it would be rational to give such an undertaking. But there is no doubt that the miners will be given first choice, and if miners of a certain age cannot rehabilitate themselves the pension plan will be provided. I do not think it would be realistic to proceed on a one for one basis—one miner out, one miner in industry. I do not think that is the way in which economic development can be carried out.

Mr. Lewis: I rise to make only two points. The minister in his answers to comments drew the attention of the committee, and my attention in particular, to the last lines of clause 17(1) which provide that plans being prepared by the corporation have to take into account progress in providing employment outside the coal producing industry, and so on. I have those words underlined; I knew they were there. But with great respect to the minister, they are irrelevant to the point I made. Indeed, they are irrelevant in terms of the statement the minister himself made some minutes ago.

The minister said, if I understood him correctly, that it was impossible for him to foretell the rhythm of the phasing in or the phasing out. He pointed to the fact that if there were only two new major industries there would be much greater difficulty than if there were five. That is my point precisely. Clause 17(1) deals with the over-all plan which the corporation has to prepare within not more than a year. I suggest that it is impossible for the corporation, just as it is impossible for the minister, to foretell the precise rhythm of development and be able to take into account progress in providing alternative employment in the future in a way which will guarantee that the two operations mesh properly. This is why I did not refer to those words in 17(1). I do not think they have any bearing on the question.

What concerns me is that clause 17(4)(b) assumes there will be unemployment and economic hardship as a result of the work of the corporation in the coal mining area. I do not think this legislation should contain such an assumption. It will be bad enough if we do

not assume it in the legislation. Let us not give the corporation the green light to take action which might result in such consequences. Some unemployment may be inevitable, as the minister has pointed out. If a decision is taken to close down a mine which employs 500 people or 1,000 people, there may well be some for whom alternative jobs cannot be obtained. But that is not what the clause says.

I may have something else to say about this clause when we get to it. I merely wish to say respectfully to the minister at this point, that I was not unaware of the words in subclause (1) of clause 17, and I suggest to him that those words do not attach to the subject which concerns me at all.

We on this side of the house have drawn attention to the difficulties in the steel industry and to the urgent need to take this situation into account in the legislation before us. The minister threw up his hands almost and said—I am paraphrasing his words—that he would have felt a great deal more hopeful about the situation, indeed, he would have been ready to use superlative adjectives about it, were it not for very recent experiences. One of the recent experiences to which he referred was the number of lay-offs in the steel plant at Sydney. These lay-offs have been going on progressively throughout the last couple of months with the result that 1,100 or 1,200 steel workers are unemployed and walking the streets of Sydney as of now.

What is the minister playing with? In answer to the hon. member for Pictou who was concerned about the McBean mine the hon. gentleman very characteristically—I hope he will not think I am unkind in choosing that word—said the situation in Pictou was not quite as bad as it is in Cape Breton and therefore was not of such national concern. How bad is bad, Mr. Chairman? Does an industry have to lie flat on its back before the government and the minister will take an initiative to foresee the future and do something about it?

What are these comparisons of degrees of badness? The steel industry of Cape Breton is in bad shape now. Not only is it in bad shape, but it is perfectly obvious from reading the reports that there is a deliberate company policy at least to reduce the operation of the steel plant at Sydney and, I personally suspect, to do away with it altogether in the years to come by moving basic steel production to the Contrecoeur complex now under construction. From the point of view of Dosco there may well be good economic and financial reasons for doing so, but from the point of view of the city of Sydney and the people of Cape Breton island what is taking place there is almost as disastrous as what has been taking place in the coal industry. There is an important exception. While in the coal industry there are factors which the government cannot correct—the price of coal, the quality of the coal in certain of the seams and so on—in the steel industry these considerations do not apply. I venture to say to the minister and to the government, without much fear of contradiction, that a properly organized and diversified steel plant at Sydney could be made economically feasible if there are people who want to put in the necessary capital and produce the kind of steel products which can be used in the Atlantic provinces and in export particularly to the newer nations of the world.

• (5:50 p.m.)

I, and I am sure other members of the committee, want to know what principles there are which prevent the government from adding a provision to this legislation giving the corporation or a division of the corporation or another corporation—I do not care which—the authority to take over the Dosco steel plant or to buy out a part of it—again I do not care which—as other democratic governments have done in similar situations. Possibly the government could acquire a 51 per cent interest in the plant. I do not know the capitalization arrangements of Dosco and I am not presuming to set out a price at this time. However, it should be possible to take over the plant or gain a controlling interest in it and then set out deliberately to modernize and diversify the production of steel therein. The two are directly connected, Mr. Chairman.

If the hon. member for Cape Breton South will forgive me for interpreting and taking his question one step further—he can correct me if I am wrong—I believe he had precisely this in mind when he asked a question a moment ago with regard to a guarantee that when a miner loses his job as a result of this new arrangement another job will be made available for him. The hon. member knows as well as I do, and as well as I am sure the minister does, that if new industry is created now on Cape Breton Island there are enough unemployed presently walking the streets to fill the jobs. There are now hundreds of unemployed walking the streets of Sydney and Glace Bay. It will take some years before enough industry can be established to place these unemployed people in productive work,

not to mention making jobs available for miners and other employees who may be displaced by the operations of the corporation outlined in this bill.

Unless the minister and the government are manacled by doctrinaire prejudice about touching any private corporation except if such corporation is completely incapable of making any progress, when, if not now, should the government act on behalf of the steel plant at Sydney which is half, if not wholly, on its back? Based on the facts as they have unfurled in the past year or so, I urge the government to reconsider its position respecting the Sydney plant and indeed other steel operations in Nova Scotia. The steel industry ought to be included in this legislation.

While I am on my feet I want to say on behalf of my colleagues and myself that the hon. member for Pictou is entirely justified in insisting that the mine in his riding, Acadia Coal, a mine owned by a Dosco subsidiary, should also be brought within the terms of this legislation. What is this fear that members of the government have? Why is there this hesitation about doing a whole job, whether in the area of coal or in the area of including steel in this legislation? I appreciate that to deal with the steel plant in Sydney would be a different kind of proposition. It will undoubtedly deserve compensation that may run into many tens of millions of dollars because of equipment and facilities which are there. This is a problem the answer to which will have to be found. The company could either be bought for cash or securities could be given to the shareholders, whatever method may be found to be wisest.

The steel plant is still to some extent a going concern, but just because there may be greater complications in acquiring it is no reason for the government to sit back and let the situation go from bad to worse in the days ahead, which would present the danger of nullifying the positive steps outlined in this legislation. The progressive reduction in operations by the steel plant, in turn creating unemployment, will add to the problems with which the development section of the new corporation will have to deal.

Mr. MacEwan: Mr. Chairman, I appreciate the explanation given by the Minister of Energy, Mines and Resources regarding the McBean mine, but I cannot agree with him. If the minister does not know this I will tell him now that the area of Pictou has for many years existed almost entirely on coal mining. Through provincial and federal efforts the area is now coming alive and we can see the light. The minister has said that no decision has been made on the McBean mine which employs 400 men who could be thrown out of work in short order. If I understood the minister correctly, he said that the company believes additional subventions should be paid in order to keep the mine running until 1968. He said the amount required would be about $2 million. This is money which could be well spent if the government does not amend this bill to cover that mine. But I believe the legislation should be amended to include it.

Clause 17(4) states:

> Before closing or substantially reducing the production of coal from any coal mine operated by it, the corporation shall ensure that
>
> (a) such closing or substantial reduction in production is in accordance with and at a time provided for in the over-all plan or any modification thereof—

And more importantly:

> (b) all reasonable measures have been adopted by the corporation, either alone or in conjunction with the government of Canada or of Nova Scotia or any agency of either of such governments, to reduce as far as possible any unemployment or economic hardship that can be expected to result therefrom.

If the bill is not to be amended, then whether it costs $2 million or more I believe this mine should be carried on long enough to ensure, so far as its 400 employees are concerned, that someone else will take it over and run it, a new mine will be developed to employ part of the work force, or guarantees of other employment will be given. If this mine came under this legislation it would fall into the over-all plan for the various mines in Cape Breton. God bless them. I hope this legislation will be the salvation of the workers of that area.

• (6:00 p.m.)

This mine in my constituency should not be phased out within a matter of months. The men should be given the opportunity of employment in another mine or guaranteed alternative employment. The mine should be carried on for more than a few months. It should be carried on at least to the end of 1968. I cannot agree with the minister in this regard and I had to put these remarks on the record. We have seen the light in Pictou county. If this mine is closed at an early date I am afraid we will be dragged back a long way economically.

The Chairman: Order. It being six o'clock and in order for the house to proceed to the consideration of private members' business I do now leave the chair.

Provision for Administrative Assistants

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 Mr. Orlikow, Sports—hockey, combines legislation; the hon. member for Vancouver-Kingsway (Mrs. MacInnis), Birth Control—inquiry as to amendment of the Criminal Code; the hon. member for Okanagan-Revelstoke (Mr. Johnston), Trade—reported lack of department personnel speaking Japanese.

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.

CRIMINAL CODE

AMENDMENT TO PROVIDE FOR DESTRUCTION OF CRIMINAL RECORDS

Mr. Jim McNulty (Lincoln): Mr. Speaker, by unanimous consent I move, seconded by the hon. member for Westmorland (Mrs. Rideout):

That the order for second reading of Bill C-115, an act to amend the Criminal Code (destruction of criminal records), being Order 104 under the heading "Public Bills", on today's order paper be discharged, and that the subject matter of the said bill be referred to he standing committee on justice and legal affairs.

All house leaders have been consulted on this matter, Mr. Speaker.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

HOUSE OF COMMONS

SUGGESTED PROVISION OF ADMINISTRATIVE ASSISTANTS TO MEMBERS

Mr. H. E. Gray (Essex West) moved:

That, in the opinion of this house, the government should consider the advisability of providing members of parliament with administrative assistants to aid members in carrying out their responsibilities effectively through helping in such areas of activity as research and communications with officials.

He said: Mr. Speaker, this centennial year is certainly a time for assessment, for taking stock of the effectiveness of our national institutions, for examining them in the light of possible need for changes and improvements to help these institutions work better in the interests of our country as we move into our second century.

While there are many differences of opinion as to the areas in which change is needed and the exact nature of changes that may be dictated by circumstances, there certainly appears to be a consensus about one extremely vital area—the need for reform and improvement of parliament. This consensus appears to exist both in parliament itself and, I think, on the part of the majority of the Canadian people.

Mr. Churchill: What is your evidence for that?

Mr. Gray: The federal government is a vast apparatus with some 300,000 employees, if we include the crown corporations, handling in this coming fiscal year a budget of close to $11 billion.

I think the public expects its elected representatives to be in a position to oversee effectively the working of this apparatus, to be aware of the directions it is taking, to decide what these directions should be in the future and to make sure this apparatus is operating fairly and reasonably in its day to day contact with the citizens of our country. In other words, the public expects that its elected representatives will be able to have something to say in a meaningful way about the policies of the government, what they should be and how they are being carried out.

I think it is obvious, Mr. Speaker, that the range and complexity of government today are such that we have reached the point when the members of this house must have their own staff to help them carry out their responsibilities to the Canadian public and the most effective way possible. The responsibilities of the members of this house obviously cover a very wide field, including helping to evolve new policies and legislation and considering the modification of existing policies and legislation to meet changing conditions. All this means, of course, keeping in touch with and being aware of the day to day operations of the departments of government.

Linked up with all this is ensuring that this vast government apparatus deals fairly and reasonably with individual citizens and areas of our country in its contacts with these citizens and areas. This in turn means working to solve the problems faced by individual

[The Chairman.]

citizens and areas of this country in their contacts with the national government and its various departments.

Under today's conditions, Mr. Speaker, it seems to me that a member who wants to do all of these things needs to have a staff working directly with him and directly responsible to him. In this way he can keep in touch with government officials, will be able to follow up actively correspondence and requests, and will be given the help he requires in gathering information and carrying out research in order to prepare himself in the most effective way possible for good and meaningful work both in this house and in its committee.

Obviously, Mr. Speaker, when a member is in the house or in a committee he cannot at the same time be talking to officials about particular aspects of policy concerning his riding or the country at large, or be discussing with officials particular problems of concern either to his riding or to the country at large. He certainly cannot be in contact with members of the public or with particular interest groups who wish to express to him personally their views on matters of concern both to them and to the government when at the same time he is obliged to spend time in this house or in committees or in attempting to keep in contact in some way or other with ministers or officials of the government.

A new research branch has been set up in the library of the house and I think it is off to a good start. Generally speaking it has been doing a good job. But no matter how much this branch may be expanded it has by its very nature, certain inherent limitations. For example, in the United States Congress they have evolved a legislative reference service as part of the library of congress which is far beyond anything that we have yet contemplated in this House of Commons with respect to our own research branch. At the same time, even with this extensively developed legislative reference service, members of congress and senators have their own personal staffs of administrative assistants.

• (6:10 p.m.)

Even with a research branch in parliament, members need help from persons who are directly responsible to them and who can help them focus their attention on particular matters that they wish to deal with either in the house or in the standing committees of the house. Certain work cannot be done effectively by a research branch, such as gathering information through interviewing directly members of the public or officials of the government. This limitation would also include the gathering of information of a type closely related to the particular political views or policy aims of the member concerned. Also the research branch of the house is not in a position to provide immediate back-up information for members working in the house or in a standing committee who need on the spur of the moment a document or a particular fact to help them put forward in a meaningful way a particular point or argument or to bring out some particular point of view.

I hope it will be possible for this motion to be referred to the special committee on procedure so the details of the scheme contemplated by the motion can be carried out in a way that really is not possible here, not only because the time available for private members' business is limited but because of the particular configuration and approach of the House of Commons itself.

My motion merely attempts to point up the problem and sets out what I consider the necessary way of dealing with it. The details of the scheme, I suggest, can best we worked out by a standing or special committee of the house which could go into all the particular aspects concerned. However, I can say generally that my own view is that it should be left to the individual member himself to decide just exactly what the background and training should be of a potential administrative assistant. Certainly the background of a person who might be hired in this capacity should not be limited to a particular field. There is room for lawyers and people trained in political science, but there is also room for people trained in business management, people from the labour movement and people with backgrounds in economics, sociology and many other fields. Of course the working conditions, pay and so on would have to be sufficiently attractive to retain people of high calibre who would be hired as part of any scheme to provide administrative assistance to members of this house. These would be people who would be willing to make a career in this field, similar to those found in other legislative bodies such as the United States congress.

Of course, another key reason why the member should decide whom he wants to work with him as his assistant is that the member himself knows the kind of individual he wants, one who should share similar policy aims and views in respect of the particular

things that should be carried out by parliament and the government.

Again let me say that while the details of the scheme should be left to the committee I think we have reached the stage when it is time for each member to have one or more administrative assistants to assist in various areas. In the initial stages I agree that it may be in order for several members to group together and share an assistant. In this way we could see how the scheme would work out and what further changes might be required. This would certainly increase the real effectiveness of members of this house who would have something more to say about government and be able to influence its direction.

Members of parliament need assistants working directly with and responsible to them. These should be people outside the regular government apparatus to help members keep aware of what is going on and to inform themselves and the public about the details of the operation of the system. We need ways of checking and testing government. These come from knowledge and information.

It has been said that we require improvement and reform of the procedures of this house and that a lot of its work could be done by standing committees. I support this idea very strongly, but a study in committee by members means little if the members themselves are not able to be fully briefed on particular questions beforehand, and of course this calls for the type of proposal included in my notice of motion.

It seems to me that the House of Commons, while certainly a key part of parliament in its broadest sense, is really only a part. Some people still seem to think that all the work of parliament is done in this chamber. That may have been the case at one time but certainy today, with the complexity of government to which I have alluded, the House of Commons as such is useful as a platform from which party leaders and members can speak to the nation and place their views on record, and it is useful for making broad formal decisions. But I suggest it is not really suited for carrying out on a day to day basis the real work of overseeing and directing the operations of modern government. This house may give that appearance, but certainly it is not really suited to carrying out and achieving meaningful legislative oversight.

It is in the public interest for the elected representatives of the Canadian people to have the facilities to carry out the work expected of them by the people who elect them. Let us not confuse appearance with reality. We may be coming to the stage when we may seem to be giving the appearance of supervising and directing the work of the government, but in reality this is not what we are achieving. Certainly we do not want to reach the stage where we appear to be going through the motions but are not really supervising the workings of government.

The lack of staff obviously limits the degree of supervision possible by members of parliament over the government apparatus. They are sent to exercise a degree of legislative oversight by the Canadian people. The public expects us to perform this task. They are surprised when they find out that we do not have the facilities enabling us to carry out the responsibilities they feel should be carried out in their behalf.

I think I should conclude by using the words I used when I had the opportunity to say something several days ago during the course of the debate on another resolution, which was sent to the standing committee on procedure, in respect of the creation of a system of internes to help train people to know more about our system of government. At that time I said:

> 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. Heath Macquarrie (Queens): Mr. Speaker, I should like to say a few words on this important matter. This debate is an indication that members are thinking about the whole question of greater administrative assistance to them in the discharge of their duties. We had an interesting debate on the resolution of the hon. member for Wellington South (Mr. Hales) and one sees upcoming on the order paper an equally interesting suggestion by the hon. member for Moose Mountain (Mr. Southam). Indeed, it might have been an efficient discharge of this matter had all three suggestions been referred at the same time because they deal generally with the same subject in similar terms.

I do not think we have to prove to ourselves, nor should we have to state to our public, the complexity of modern legislation. Nor do we have to document the sheer magnitude of the legislative output of modern

parliament. Indeed there are some people who think that parliament is becoming too much of a legislative mill, that too much legislation is being processed, and there are those observers who sometimes suggest that federal parties are getting into office by making legislative promises which belong in the provincial realm. There is at least reason to look at this contention.

We know too that each and every member is burdened by the compulsive routine of this life. One does not have to be in the House of Commons very long to accumulate a large shelf of documents and legislative outpourings which are not just those of the past but contemporaneous with his own membership in the Chamber. One can think of the statutes only and the lengthy bills, some of which have been over 100 pages.

Everyone knows the difference between legal English and good English in dealing with statutes, and it is not the easiest thing in the world in terms of ready comprehension. We know too of the vast accumulation of committee reports on our shelves. I think in particular of the reports of those committees of which we are not members. A conscientious member wishes to keep somewhat abreast of what is going on in those areas which are not of his own specialization.

• (6:20 p.m.)

More important, as the mover of the resolution has mentioned, is the need to be prepared as well as possible for the committees of which a member is a part. Sometimes we run into a situation that seems to me to be marring the committee system. Committees dealing with vastly different subject matters are meeting not only on the same day but sometimes at the same hour. Tomorrow morning, for instance, at 9.30 I should have my mind on Viet Nam in one room and be in another room at the same time with my mind on the Prince Edward Island causeway. How I shall bridge that gap, if a pun will be pardoned, I do not really know.

Then, Mr. Speaker, who can say he has read every word of the mountains of royal commission reports which have fallen upon us not in any light way in the last number of years? How many members have read every word of the Carter royal commission report? Has everyone even completed the Gordon royal commission report on economic prospects, or even "Troubled Canada"? Have we all been able to find time to read every single sentence in the 12 volumes of the report on Atlantic transportation? Other most important studies have been carried out by commissions. I think of the Porter commission and the Bladen commission.

Each of us receives from the Queen's Printer important publications. These are very valuable things. We get every so often a list of books, just a few of the books that come into the parliamentary library, dealing with matters for which in general all parliamentarians have a concern. How many of us manage to read all those books, half of them or even a quarter of them? How can we?

Then there are other documents that come to our desks, reports of various departments and documents from the United Nations, of which the library in parliament is a repository. I suppose we all want to read newspapers. We must read our local newspapers because parliamentary sessions are so long that we are not home nearly as much as we would like to be. We must read the national newspapers so we will know what is going on, what we are doing and what we are supposed to be doing. We should read some international newspapers because the Canadian outlook on the world is not that of many other countries. We all want to or should want to delve into studies by specialists who are neither members of parliament nor civil servants on important matters of public policy.

There is a tremendous range of material that we all want to read and would like to read, but because of the compulsive routine of our job we find it difficult to do so. Therefore it would be most valuable if we had, to put it very simply, at least another pair of eyes and another mind which would assist us in trying to encompass some of the material which would be helpful in the discharge of our duties. This is recognized. I think this resolution deals with one of those subjects which is widely recognized as being important.

We note that in ministerial offices there is a large and continual increase in staff. Ministers have more assistants than ever before. If I could change the spelling of that word I would say that some still need more assistance. But if the executive arm of government which is involved more directly in relationship with the civil service, the bureaucracy, requires assistance, surely those of us who are solely in the legislative arm of government, who must be in a very real sense the watchdogs of the executive as well as the representatives of our people and the custodians of

public expenditures, cannot but assert ourselves in our desire to be as well equipped as possible in this difficult and complex job into which our people have put us. We want to be as well informed as we can so as to have less reliance upon the officialize of the executive arm, because our legislative function is diminished and diluted if we find ourselves at a loss for technical and detailed information which is available to the executive arm and not to us.

I believe we can better our performance by improving our office function. I do not join with those who maintain that parliament is a hopeless mass of ill informed and poorly motivated people. I do not at all subscribe to that point of view. But I do believe there is a vast area for improvement, and the hon. member's suggestion is one of those which should be followed. I believe that as we increased our information we would increase our effectiveness, and conceivably we could increase our posture of independence within the legislative gamut. I believe that would be all to the good. We realize that now members of the House of Commons are not part time, gentlemanly amateurs in the old British sense. We are certainly not part time when a session lasts 14 months.

Mr. Churchill: Amateurs but not gentlemen, maybe.

Mr. Macquarrie: Mr. Speaker, my colleague suggests that we may be amateurs but not gentlemen. I was going to express the hope that surely we are still gentlemen, and considering that we work 14 months in a session we can no longer be called part time amateurs. Considering that it requires a certain degree of stubborn persistence to continue in the job, one discards necessarily some of the amateur aspects. In any case, I believe there is no disgrace in being a professional politician. Indeed I cannot think of any more important role than that of one who devotes his time and energy, and fortune if he has one, to the pursuit of public service.

I was very pleased that such an important body as the Canadian Federation of Agriculture expressed themselves very strongly on this matter. I thought it showed great perception on their part. It showed that they are thinking beyond their own occupational and economic group, that as a responsible organization in the over-all Canadian society they fastened their attention upon the chief political institution in the land and made practical suggestions.

[Mr. Macquarrie.]

I do not want to cut off anyone else from expressing his views, and I will do something I very rarely do, read something into the record. I quote a comment from a very prominent Canadian. I naturally subscribe to his suggestion. I wish to quote from Professor Paul Fox's volume, "Politics," page 277, the latest edition. He says:

> Most M.P.'s have neither the time, the energy, or the money to get any serious research done for themselves.
>
> The result is that they lack fresh and informed thinking to inject into the political process to advance the discussion of issues and to balance the government's strength based on its close relation to the civil service. The same old arguments are bandied back and forth time and time again. The M.P.'s quote the newspapers, and the newspapers quote the M.P.'s, and no one becomes much wiser in the process.

• (6:30 p.m.)

I do not know that I subscribe totally to the last part of the sentence, although I do admit it is a good sentence. The author continues:

> In Congress in the United States, by way of contrast, the facilities for research are plentiful. The Library of Congress has on its staff more than 200 research assistants. Congressmen and Senators may also hire research assistants out of their large expense allowances. The latter amounts vary since they are set by a complicated formula but they average about $50,000 a year per member, in addition to his annual salary of $30,000. Some representatives hire as many as nine personal assistants. Some also have young postgraduate university students working for them as researchers under a plan for "internists" that the American Political Science Association has been running very successfully for more than a decade.

As hon. members know, the "internists" program is a program which has been brought to our attention, and to that of the public, by my colleague, the hon. member for Wellington South (Mr. Hales).

Many of us have encountered our United States counterparts at international conferences and I think we have all been impressed by the amount of expert assistance which they have. Sometimes we may feel we are extremely well prepared at an international gathering if we have read a couple of books. But then we take our place by some congressman who has perhaps a staff of five or six alert, bright people with him and we realize that there is much to do to improve this matter of administrative assistance in our parliamentary system.

Therefore, I commend the hon. member and I support his resolution most strongly. I commend what has been done so far through the extension of the research facilities of our library. But it is not sufficient and we must

follow our agreement on this by more concrete action to improve our function and performance, as the hon. member has suggested.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to support this motion briefly, as well as its principle and purpose. I am glad that we have had this more or less quiet but instructive debate this evening. I want to say to the hon. member who introduced this resolution that I thought he made several very good points in presenting his argument.

I have been in this house for over 22 years and I have seen very great changes during that period because of the developments within government and in our society. The federal government today is becoming more involved with the operations of the provincial governments as a result of agreements with various provincial governments and developments with respect to resources, social welfare measures, and so on. This house has become more involved in the approach of organizations in the country toward legislation. Farmers', labour, business, women's and other organizations make representations to the government and to the various parties in the house with respect to legislation they would like to see adopted. This greater involvement directly with the people has greatly increased the work of parliament and the necessity for specialization with relation to that work.

The hon. member who preceded me paid a tribute to the work being done by the research staff in the library. I endorse what he said. They have been very helpful. I know that I have asked them to prepare several briefs on matters that were of interest to me. However, their work is not extensive enough to meet the requirements of members at the present time. Changes have occurred because of developments in our society which people could not have even foreseen 20 years ago, and therefore the need for these research assistants has arisen largely as the result of hon. members having to deal with complicated legislation and with more legislation than was introduced in the house years ago. They have to read reports of royal commissions. They have to read the reports of special committees or inquiries. They are also supposed to have time to read the reports of international bodies such as the United Nations, the Commonwealth Parliamentary Association, and other organizations. We are presumed to be able to read the reports of the committees of this house. I might say that during the 22 years that I have been here I have never been absent from the house on a Saturday or a Sunday more than 12 times because I find it necessary to come here and do what I can to read the reports that are presented to us. We also have to read the annual reports of the various departments.

It is beyond the capacity of the average member to absorb and study such a vast amount of material. That is why I have no hesitation in supporting the principle and purpose of this resolution. Personally, I like to come here on Saturdays and Sundays because the place is quiet and one can sit here without much fear of being disturbed. Other members of the house do the same, particularly those who come from constituencies a long distance from the House of Commons. They also utilize their time in this way. Naturally, members who live in Ontario and Quebec go home on week ends because their constituents expect them there. But even doing the best we can under the circumstances, we are not able to do the research and study of all these reports and problems which I have just mentioned. So, I think it is clearly indicated that members of the house do require research assistants.

This is not a problem which can be dealt with overnight. It requires a great deal of study as to how many research assistants should be provided, the types of persons that should be sought by the various members here representing different political philosophies, and the expenses involved. I am not suggesting for a moment that this house can afford the money that is expended in the Congress of the United States, but I do think we can make a modest start in this direction as the result of a study of the problem. The hon. member who preceded me mentioned the interest of the Canadian Federation of Agriculture. Although he hesitated to put on the record the attitude of the Canadian Federation of Agriculture, I will do so because I have heard this subject discussed at agricultural meetings as well as at meetings of chambers of commerce and other organizations where the question was asked repeatedly "How in the world do you cope with all the involved questions that come before a member of parliament? Life is becoming more complicated every day." To indicate the interest of the Canadian Federation of Agriculture I will read an article which appeared in the *Western Producer* of Thursday, June 15, 1967. It reads as follows:

The Canadian Federation of Agriculture is concerned about the growing workload of members of parliament, and would like to see more research

Provision for Administrative Assistants

staff available to help individual MP's and committees of the House of Commons in keeping abreast of developments.

In a submission to Prime Minister Pearson, after consultation with MP's, the CFA has urged the government to correct the research shortage.

The letter to Mr. Pearson, signed by David Kirk, CFA executive secretary, said:

"—in the observation of our organization the resources of expert and specialized personnel available to members of parliament, individually or in their committee activities, is altogether inadequate to the needs they have for such personnel, to deal adequately with their heavy and growing responsibilities."

Mr. Kirk said it was "quite clear to us that the great majority of members of all parties would welcome our support in this matter."

In a note to the MP's, the CFA said:

"It does not make any sense, in this day and age, to have parliamentarians, with very important and varied responsibilities equipped with staff assistance of their own only in the most minimal way.

"The availability of such assistance is one of the striking features of the American Congressional system, and represents a difference from the Canadian scene in respect of which we do not come out on top."

• (6:40 p.m.)

That indicates that the directors of the Canadian Federation of Agriculture have given some consideration to this question because they have been in the habit of making representations to the agricultural committee and other organizations. I know that so far as the veterans affairs committee is concerned, members of legions and other veterans' organizations have asked me how we can manage to deal with all the subjects that come before parliament in this modern age.

Without doubt, this work, in view of the responsibilities of members with respect to correspondence, attendance in the house and committees and before other groups and organizations, is beyond the capacity of individual members. They cannot do the research work that is urgently required. It is on that ground that I compliment the hon. member for the introduction of his motion. I suggest, Mr. Speaker, that we unanimously refer this motion to the committee on procedure.

Mr. Joseph P. O'Keefe (St. John's East): Mr. Speaker, I think there is unanimous agreement on this resolution and I will not delay the house for long. Someone once said that the contribution of the law maker is not in the exercise of professional expertness. If he merely mouths what his experts tell him, we lose the important values of representative government. It seems to me, however, that unless a member can become expert in one or two areas he must of necessity

[Mr. Herridge.]

mouth, in effect, what his experts tell him. For this reason and for others that I might mention, it is my intention to support the resolution which has been prosposed by my hon. friend for Essex West (Mr. Gray). I need not repeat the resolution as the house is acquainted with it.

May I say, first of all, that in my opinion the assistance now being given to a member of parliament by the federal government is generous indeed; it is generous in many ways and in many areas. However, it will be easily realized that although the parliamentary library has established a research branch to assist us, it is very difficult for the staff—efficient, as it most certainly is and staffed, as it is, by only eight persons—to provide information for 265 members of this house, not to mention 100 Senators.

It is possible, of course, that many members of parliament and senators will not avail themselves of this help from students of political science, law or journalism. Obviously, many members of parliament do not need this assistance. There are others, however, who have the need; in many cases the need is acute.

In my four years at Ottawa I have discovered that executive assistants are very important indeed. They can be, and they are, helpful not only to the minister to whose office they are attached but also to members of parliament.

All, or most of us, can remember with gratitude the effective help given us by the gentleman now sitting at the table, the Assistant Clerk, Mr. Alistair Fraser, when he was executive assistant to the Minister of Transport. We know also of the efficient and generous help of this minister's present executive assistant, Mr. Sandy Morrison. There are others; I mention Bill Lee, with the Minister of National Defence—

Mr. Churchill: He did not help me.

Mr. O'Keefe: —and Mr. Alec Morin, with the Minister of Public Works; Bernard Dufresne, with the Minister of Manpower and Immigration; Roger Roy, with the Minister of Fisheries, Gerry Grafstein, with the Registrar General, Alec Cyr with the Postmaster General; Bill Neville with the Secretary of State, and Mike McCabe with the Minister of Finance. I could go on.

Those men and others like them are, in my opinion, more than just assistants. I feel, indeed I know, that they are an essential part of government. It seems to me that the plan

envisioned by my hon. friend is, in the same way, designed not merely to help members of parliament but is to help them keep up with their work; and not just with the work, but with the reading which faces us all. Therefore, when we fail that, we fail to find the time to become experts. We could, with the kind of help that is envisioned in this resolution, become expert in at least one or two specialized fields.

Very often a member of parliament is part of five or six committees. How can any of us ever have any specialized knowledge of any particular field?

I feel that this resolution would not only help members of parliament, but it would also provide an effective training ground for the young men and women who will, at some time, take our places in this House of Commons. These young men and women may come from a variety of sources, from labour, business and journalism. An embryonic political scientist might find the environment of Ottawa fascinating, though he might not be so fascinated with the type of work that almost inevitably would fall to his lot as a kind of intern.

Rather than grappling with ideas and problems of national interest, most probably the intern would find himself involved in a member of parliament's most vital concern, the problem he must always keep before himself, that of being re-elected. However, he or she could help in research and in a wide variety of fields. He or she would have to be prepared to serve the member of parliament and a Senator simultaneously. He or she would need a good deal of tact, good judgment, and initiative. He or she would need detailed knowledge of the geography, economy and political forces of a member's riding. Certainly, the job would entail long hours of overtime. It would require stamina and vigor and, most of all, interest, enthusiasm, and education. I realize, of course, that this is quite a list of qualifications; yet I am also confident that many of a member's own constituents could easily fill the position, qualify completely, and be happy in the work.

In working for a member the young political scientist might find himself writing newsletters to the member's constituents and writing speeches for local consumption. A law graduate possibly could obtain little more benefit from working for a member than he could by becoming politically active in a local party organization of his choice. I feel, however, that there will be no lack of applicants for the position of assistant to a member of parliament from young men and young women who are interested in the work. Also, it is my opinion that young men or women who are interested in journalism would be of tremendous benefit to a member of parliament, although it has been suggested by a veteran newsman that a period of service in the Ottawa press gallery might be sufficient to turn any journalism student against politics for life. I do not agree with this, and I feel that the newsmen in the press gallery—I see that there is one here during this dog watch —are as intensely interested in the vital happenings in the House of Commons as any member of parliament. Sometimes, it seems to me, they are far more interested.

We have interns in the medical fields and juniors in the legal profession. Why should we not employ students who are interested in the political fields? I am one of those who believes that young men and women should have this opportunity of observing the legislative process at first hand and I feel that it would be helpful if outstanding young political scientists, young journalists, and even young law school faculty members were brought to Ottawa for a period of possibly six or eight months as assistants to members of parliament. That would be helpful and interesting to them.

The suggestion is that they would be paid a minimum stipend which would be advanced by the government and that they would receive an established foundation grant; also, that a competition would be held each year for these political fellowships to coincide with the opening of a parliamentary session. Certainly, direct experience on parliament hill would be enormously helpful to these young people and would be of great help to members of parliament to whose offices these young men or women are attached. Not only that, but certainly these learners would perform a considerable amount of work for the members of parliament.

With this kind of assistance the members themselves could perhaps concentrate more on the legislative processes and devote more work and study to becoming expert in certain fields of government. It seems to me absolutely impossible for a member of parliament under present conditions to become an expert in anything, except possibly in attendance in the house. This, in my opinion, is an area where there are few experts.

I am happy, Mr. Speaker, to support the resolution which has been proposed by the hon. member for Essex West.

Mr. David MacDonald (Prince): I rise to make what will probably be the shortest speech of my parliamentary career. I go on record as supporting the intent of this resolution, believing it to be one of the most important steps that we could take in this house.

There have been arguments, speeches and public lamentations about the deficiencies of parliament today and about the parliamentary process. I think if action were taken in this regard to strengthen the individual responsibility of members of parliament, we shall have taken a major step in bringing decision making and responsibility back to this forum.

• (6:50 p.m.)

Members of this house are asking for very little in comparison with the almost unlimited resources which are available to civil servants and royal commissions. One of the reasons royal commissions have expanded almost out of hand is the fact that members of this house are no longer in a position to decide responsibly on matters which come before them. Yet, in the final analysis, there reports from royal commissions and elsewhere, some of them running to several volumes in length, are submitted to us for our decision. I hope that not only is this motion referred to the committee on procedure but that some action will be taken in the very near future.

Mr. R. J. Orange (Northwest Territories): I, too, wish to make a short speech in support of the motion before the house. I should like to congratulate the hon. member for Essex West (Mr. Gray) for having brought it before us. I believe it emphasizes the problems which those of us who sit here find in trying to perform the tasks we were elected to perform.

The first reaction of new members is, I believe, one of surprise at the problems encountered when trying to work their way through the Ottawa maze. Then, we find ourselves discouraged by the lack of facilities available to us and, finally, we tend to become frustrated by our inability to accomplish all the things we would like to accomplish. Had there been an opportunity to speak at greater length this evening I would have developed a proposal which goes somewhat beyond the motion which my hon. friend from Essex West is proposing. I should like to have seen this whole question examined with a view to improving the technical and administrative assistance available to members of parliament so as to enable them to carry out their duties more efficiently. This is the intent of an amendment which I would have proposed; it would have been seconded by the hon. member for Prince (Mr. MacDonald).

In conclusion, I hope that if the house agrees that this matter should be referred to the committee, the committee will ask other Canadians, presidents of universities, presidents of trade unions and others, to inquire into the whole range of duties a member of parliament should be expected to perform in terms of his responsibilities to his constituency and to parliament. I support this motion and hope the subject will be referred to the committee.

[*Translation*]

Mr. Henri Latullipe (Compton-Frontenac): Mr. Speaker, I only wish to say a few words so as not to delay the passage of the excellent proposal contained in the notice of motion introduced by the hon. member for Essex West (Mr. Gray).

We fully endorse his suggestion, and we are all aware that members need fuller information, because they lack the means to obtain adequate information. The secretaries of members also lack information. As a matter of fact, since some secretaries of members do not even have the required competence, they are hardly of any use to them. Therefore, some members are overworked because of their great difficulty in finding a secretary.

Further to the suggestion contained in the notice of motion, we can possibly make available to each group of members some well informed people, in short, people who could give them some information. I feel it might not be possible to give an administrative assistant to every member, but someone could possibly be made available to a group of members or he could train the secretaries to make them highly competent not only in the field of research but from every point of view. These are simply suggestions I am putting forward. I am one hundred per cent in favour of the hon. member and I would like his motion to carry at the earliest possible moment.

Now, there are members who represent very large constituencies and it might be proper to discuss this. I think such members should have help, quite apart from what is

available in the house, on account of the large distances that must be covered.

These are all the suggestions that we can put forward in the committees and I would now thank the hon. member for having made this motion. I support it wholeheartedly and I would like it to carry as soon as possible.

[*English*]

Mr. Jim McNulty (Lincoln): I, too, would like to support this motion. Therefore I move, seconded by the hon. member for Queens (Mr. Macquarrie):

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.

Mr. Speaker: I should bring it to the attention of hon. members that this is a very unusual motion. It is certainly in the form of a substantive motion rather than of an amendment. It does, therefore, require unanimous agreement if it is to be moved at this time. I wonder whether there is such unanimous consent on the part of the chamber as would allow the hon. member for Lincoln to propose this motion.

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: The hour appointed for consideration of private members' business having expired, the house will resume the business which was interrupted at six o'clock.

CAPE BRETON DEVELOPMENT CORPORATION

PROVISION FOR TAKING OVER COAL UNDERTAKINGS, DEVELOPING INDUSTRY, ETC.

The house resumed consideration in committee of Bill No. C-135, to establish the Cape Breton Development Corporation—Mr. Pepin —Mr. Tolmie in the chair.

The Acting Chairman (Mr. Tolmie): It being seven o'clock the committee stands suspended until 8 p.m.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order. House again in committee of the whole on Bill No. C-135, an act to establish the Cape Breton Development Corporation, clause 2.

Mr. MacInnis (Cape Breton South): Mr. Chairman, just before the dinner recess the minister was indicating to the hon. member for York South the reason he could not give any assurance that the miners in Cape Breton would be assured of jobs in new industry in the event of any displacement. He said it would be rather ridiculous for him to give that assurance. In so saying, he was condemning remarks made by a member of the government not too long ago who, on the closing out of the Point Edward naval base in Cape Breton, assured those displaced at that time that alternative work would be available for them. It goes without saying that many of those men are still walking the streets.

Since the legislation before us is supposed to be an effort to combine the phasing out operation of the coal mines with the development of new industries, unless the minister can give us some assurance of alternative employment for the miners the committee would seem to be wasting a lot of time on the legislation.

I also call attention to the fact that just before the dinner recess the minister told the hon. member for Pictou that no final decision had been made in respect to the McBean colliery. Nevertheless, Mr. Chairman, passage of this legislation would bring a final decision in respect to that colliery because it is not covered by this legislation.

Further, I call the minister's attention to page 2 of the policy statement made by the Prime Minister, dealing with coal operations, the last paragraph of which reads:

In addition, it is the intention of the federal government to establish with the province a joint framework which will permit the concentration of all federal and provincial efforts to promote the economic development of eastern Nova Scotia and Cape Breton Island in accordance with a comprehensive plan.

The minister cannot overlook the fact that the hon. member for Pictou is making very strong representations on behalf of the miners, some 400 odd, who work in his district and who belong to the same union. I am sure the union has made representations to the government, and that the Minister of National Health and Welfare has received representations from it. They should come within the terms of the policy statement issued by the government and should be covered by this legislation

Clause 2(d) states:

"companies" means all or any of Dominion Coal Company, Limited, Nova Scotia Steel and Coal Company, Limited, The Dominion Rolling Stock Company Limited, Sydney and Louisburg Railway

Company, The Scotia Rolling Stock Company Limited, and the Cumberland Railway Company.

Acadia Coal Company is a subsidiary of Dosco and should certainly come under this interpretation clause. Both the bill and the policy statement made by the Prime Minister support the arguments advanced by the hon. member for Pictou in respect of the McBean colliery.

I prefer to deal with the other clauses of the bill as we come to them, but I may indicate now that I am not quite satisfied that the clause referring to pensions is as clear as it might be or as concise as it should be. I trust the minister will answer the questions that have been posed to him before we come to deal with the industrial development division of the new corporation.

I repeat I am convinced coal mining operations will have to continue in Cape Breton for a long time to come. My concern to see that this legislation gets early passage is simply based on tackling as quickly as possible the dire need to upgrade and mechanize the collieries so that they may operate much more cheaply, and possibly economically in the future.

• (8:10 p.m.)

I do not want to sound technical, but the truth of the matter is that I cannot be too technical about developments in the different mines. However, I would say that the need to pass this legislation in order to make the necessary money available is great, and the sooner this is done the better. This would provide new equipment and improvements in the mines. I am informed that it is possible to commence a wall face at a thousand feet. We would be able to start two wall faces in No. 20 colliery at Glace Bay, which during the past number of months has been allowed to run down to the level where every day we wait will be costly in terms of rehabilitation and reorganization of the mine. The same may be said about No. 12 colliery at New Waterford. The maintenance of these collieries has been backsliding each and every day, and the sooner the legislation is passed the better.

We will pass this legislation, Mr. Chairman, as soon as the minister provides us with some answers which are more in line with the policy statement issued by the government. Then the members of this committee will be assured that we are passing something which will give protection to the miners and pensioners who are involved, as well as to the coal industry in general.

[Mr. MacInnis (Cape Breton South).]

In his remarks the minister covered a certain number of matters I was interested to hear about, but I repeat the need to pass this legislation as soon as possible. The quickest way to do this is to have the minister accept a few of the suggestions which have been made from this side of the house, for the express purpose of strengthening the legislation and providing the miners in Cape Breton with that which was assured them in the policy statement of the Prime Minister prior to the introduction of the resolution.

The Chairman: Shall clause 2 carry?

Mr. MacInnis (Cape Breton South): Mr. Chairman, the clauses will carry when the minister takes the opportunity to explain certain of the clauses as they come up, and as he is faced with questions. I would now ask him on clause 2 about the McBean mine, and he might also explain the Sydney-Louisburg operation.

Mr. Pepin: Mr. Chairman, on the subject of the McBean mine I think I have given as full an explanation as I can. As my hon. friend says, the McBean is not included in the present legislation and I have given reasons for that this afternoon. I have also indicated what can be done and expressed our willingness in helping to reduce as much as possible any shock effects.

For example, I said that it might be better to spend differently the money that we would spend on McBean if it continued in operation. I do not want to appear to be speaking on behalf of the hon. member for Pictou but it seems to me that the hon. member, although he did not accept this decision with a smile, was nevertheless pleased that some good will had been offered by the minister on behalf of the government.

I also said this afternoon that the crown corporation could help in this regard. My hon. friend from Cape Breton South quoted the statement of the Prime Minister last December, when the Prime Minister said:

In addition, it is the intention of the federal government to establish with the province a joint framework which will permit the concentration of all federal and provincial efforts to promote the economic development of eastern Nova Scotia and Cape Breton island in accordance with a comprehensive plan.

It is quite true that the Prime Minister said that, but it has to be read in conjunction with part II of the Canada-Nova Scotia agreement, which proposes the formation of a committee to be charged with the responsibility of coordinating the economic development of Cape

Breton island. This committee will have responsibilities over a wider geographical area than the area covered by the corporation itself.

Why is that? Because at the same time as this coal corporation is created, as hon. members from the area are certainly aware, an ARDA project is being developed. The project embraces an area larger than Cape Breton island; it embraces nine counties as opposed to four on the island. We want to tie in as well as we can the area covered by the economic committee set up under the agreement with Nova Scotia with the area of ARDA operations. I hope that this is sufficient explanation to justify the apparent discrepancy between the agreement and the legislation before us.

I want to stress again that the operations of McBean are coming to an end by December 1968. This is not an act of the government of Canada. If I want to put the blame on anyone I will put it on God. The reserves of the mine are coming to an end, and as I said clearly this afternoon this is a situation we will have to face sooner or later. I simply express the view that the sooner we face it the better, because the money we can save thereby may be used more profitably, as I said before.

With respect to the suggestion that some provision should be made for the steel workers in this bill, I have nothing to add to what I said this afternoon except to say that the hon. member for York South seemed to consider as "doctrinaire prejudice" any opinion that was not in accordance with his own. My mind is not possessed with doctrinaire prejudice. I think that by the legislation we are now debating we are showing that we are not prejudiced one way or the other.

It is obvious, to me at any rate—and I believe it should be obvious to all members of the committee—that by helping the industrial and economic development of the area the crown corporation set up by this bill will help indirectly in alleviating the troubles of the steel situation.

Mr. MacEwan: If I may reply briefly to what the minister said. I agree with him that it is not the fault of the government that resources of the McBean mine will apparently be exhausted by 1968. Actually, Dr. Donald said they would last until 1970, but the management reported 1968. I am not a mining engineer, so I cannot be sure about this. However, the point I am trying to make is this.

Even if this mine will be exhausted in 1968, which is about a year and a half, it will at least give us a little breathing time to relocate the working force at the mine. I certainly would not agree with any proposal to close the mine in the next few months. As I pointed out earlier—and I suppose, Mr. Chairman, you are getting tired of hearing me say this, but it is very important—the working force of 400 must be relocated at some other mine or found alternative employment. I think the life of this mine should be extended until at least 1968.

I was very interested in what the minister said about ARDA. I take it from what he said that he was referring to the ARDA task force which carried out an extensive study of the nine northern counties of Nova Scotia.

• (8:20 p.m.)

I asked the minister of forestry a question in March and was informed that a report had been made to the federal government, a copy of which had gone to the provincial government. Is that now being studied by the government of Canada and the government of Nova Scotia? If the minister does not see fit to amend the bill having regard to the agreement and the ARDA task force report, I hope something will be done to include the county of Pictou as one of the nine northern counties.

We do know that originally the agreement in respect of New Brunswick was reached between the government of Canada and the government of New Brunswick. I would hope that this mining area of the county of Pictou could be included in any joint actions taken between the government of Canada and the government of Nova Scotia.

Mr. Muir (Cape Breton North and Victoria): Could the minister bring us up to date on the progress he or the government is making with reference to the selection of personnel for the Cape Breton development corporation and the co-ordinating committee. The other day I stated, as I do again, that I hope it will not be a haven for defeated Liberal candidates. Can the minister give us an assurance that we are going to obtain the most capable people possible for this board. Knowing the minister, I am sure that he would want the most capable and competent people available as members of this board so that the best job possible can be done.

A few moments ago the minister said that this legislation would indirectly assist the steel industry. Can he advise us as to whether the corporation will do anything directly to assist the steel industry, even though it is not

specifically mentioned in the bill? Is there some manner in which the board can assist directly, even though the steel industry is not covered by the legislation?

I should like also to ask the minister whether the corporation is going to have a free hand in negotiating compensation for the holdings of Dosco. Will the board report back to the minister or to the cabinet, or once the legislation is passed will it be its solemn duty to make a deal with Dosco to acquire their holdings in Cape Breton? I am also wondering who will be the watch dog regarding what the corporation will do. No one can suggest I am pointing any finger, because we do not know who will make up the corporation's personnel. However, in answer to a question the Prime Minister on one occasion said that the personnel of the corporation would probably be announced prior to the introduction of the legislation, yet on another occasion I believe the minister said that these people would be appointed after introduction of the legislation. Perhaps the minister could enlighten us on these three points.

Mr. Pepin: Let me say a few words in respect of the personnel selection. I have seen some names that have been mentioned which have been "apolitique", the "a" meaning excluded from. I have not seen a political name among those mentioned. This does not mean that former politicians should be necessarily excluded from important jobs because many politicians are good men. If the hon. member for Cape Breton North and Victoria was willing to relinquish his seat he might possibly be appointed, and everybody would agree that this would be a good nomination.

Mr. Muir (Cape Breton North and Victoria): On that very point, let me say that on three occasions within the last year or two different cabinet ministers have suggested that I might be interested in some position on a board set up by the government. I do not know whether this was as a result of the goodness of their hearts or the milk of human kindness, or just that they wanted me out of here.

Mr. Pepin: This board will have to work very hard and I know how hard the hon. member can work. I thought probably he would be a good prospect.

Mr. Churchill: How about the Minister of National Health and Welfare?

Mr. Pepin: He is far too busy already.

[Mr. Muir (Cape Breton North and Victoria).]

Having regard to the direct contribution the corporation can make to the steel industry, I do not think this can be entirely excluded as a possibility. If the hon. member waits until we reach this particular clause, I am sure he will realize that the corporation can do almost anything. This bill does not exclude any possibility and I do not exclude any. Let me repeat however, that the main function of the corporation will be to rationalize and operate the mines, and bring in new industry. If it manages to bring in industry, and we think it will, again this will indirectly help the steel industry.

Having regard to compensation, this is also dealt with in the bill, specifically in clause 12. Perhaps the hon. member would like to wait until we deal with it.

There was a small point raised by the hon. member for Cape Breton South regarding the Sydney and Louisburg Railway Company. The Sydney and Louisburg Railway Company was included because it retains title to some railway lands, notwithstanding its takeover by the Cumberland Railway Company. It still has title to some lands and it was included to make sure that everything which can be useful will be acquired by the corporation as a result of the legislation.

Mr. MacInnis (Cape Breton South): Mr. Chairman, I should like to follow up this matter which is of great interest to the United Mineworkers and the 400 men at the McBean colliery. The minister will recall that about two years ago the subventions paid on coal were placed on a fixed basis for a period of five years. Will the subventions still apply to the McBean colliery since it is not included in the legislation? Will the payments be made during the life of the McBean mine or are they to be wiped out entirely?

Mr. Pepin: The purpose of extending the subventions on a five year basis was to permit long term planning by the company. When the corporation takes over Dosco, it will do the long term planning.

So far as the subsidies to the McBean colliery are concerned, I said earlier this afternoon that they could be continued at the present level. That offer has been made to Dosco, but the company feels this is not sufficient and has asked for a $3 increase in the present level of the subventions. This changes the picture quite considerably, because this would bring the subventions to $11.50 per ton.

Clause 2 agreed to.

Clause 3 agreed to.

On clause 4—*Appointment and tenure.*

Mr. MacEwan: As the minister has said, clause 4 states that the chairman and the president shall be appointed by the governor in council, after consultation with the lieutenant governor, and will hold office for seven years. The other directors will hold office for five years. Has the minister consulted the government of Nova Scotia regarding the appointment of the president and the chairman, and does he expect to make an announcement very soon after the legislation is passed by this house and the other place?

Mr. Pepin: I have already discussed some names for the presidency with Premier Stanfield. As the legislation says, the appointments are to be made after consultation with the lieutenant governor in council of Nova Scotia, which means, of course, the government of Nova Scotia. We hope to make the announcements quite soon after the legislation is approved. I might say, *en passant*, that it is our intention to stagger the initial appointments so that all offices do not fall vacant at the same time.

• (8:30 p.m.)

Clause 4 agreed to.

Clauses 5 and 6 agreed to.

On clause 7—*Salaries and fees.*

Mr. MacInnis (Cape Breton South): Mr. Chairman, I do not mean to put temptation in the way of the hon. member for Cape Breton North and Victoria, but could the minister indicate what are the proposed salaries for the president and vice presidents who will serve in the two divisions?

Mr. Pepin: Mr. Chairman, the easy answer to this question is that the salaries will be high enough to attract good people, and low enough to maintain a certain aspect of benevolence and dedication to the job.

Mr. MacInnis (Cape Breton South): I need not remind the minister that very good salaries are paid in the Hawker-Siddeley group, and they are not drawing the type of management personnel the minister said would be induced to join this development corporation.

Mr. Muir (Cape Breton North and Victoria): Nor is that group drawing dedicated personnel.

Mr. MacEwan: Mr. Chairman, this clause provides:

> The president shall be paid by the corporation a salary to be fixed by the governor in council and the chairman and the other directors other than the president shall be paid by the corporation such fees for attendances at meetings of the board or any committee thereof as are fixed by bylaw of the corporation.

I take it the governor in council and treasury board will have nothing to say as to what is paid to the officers of the corporation, other than the chairman and the president?

Mr. Pepin: The directors will be paid the standard per diem that is paid to directors of this kind of corporation.

Mr. MacEwan: Then they will be paid in line with what is paid to directors of other crown companies?

Mr. Pepin: Yes.

Clause 7 agreed to.

Clause 8 agreed to.

On clause 9—*Power of acquisition.*

Mr. Lewis: Mr. Chairman, I think the committee ought to hear something from the minister about the negotiations which I understand have already taken place with Dosco for the acquisition of its properties, if it has any; its assets, if it has any; and its liabilities, which it certainly has. I should like to ask the minister whether he would be good enough to tell the committee what negotiations have taken place, at what point the negotiations were ended before the legislation was brought down, what remains for the corporation to negotiate when it is established and takes form, and whether the negotiations with Dosco are continuing while the legislation is before this house and the other place. In other words, is everything now waiting for the corporation to be established in order to start negotiating for the acquisition of whatever it is the corporation has to acquire, or has some of the work already been done and is it continuing while we are discussing the bill?

Mr. Pepin: Mr. Chairman, perhaps the best way to answer this question is to indicate first what the ownership situation is of Dominion Coal. There are 480,000 common shares owned by Dominion Coal; that is Dosco in fact. There are also 26,521 preferred shares owned by Dosco. There are 182,238 shares owned by 1,100 individuals, most of whom live, in Nova Scotia and Quebec. That gives a total of 208,759 shares for Dominion Coal.

With respect to the other two mines, that is Princess and McBean, Dosco owns them completely. The hon. member referred to negotiations. I would not call them negotiations; they were more in the nature of enlightening conversations between my department and the company. These lasted—

Mr. Lewis: Who enlightened whom?

Mr. Pepin: Each side was trying to enlighten the other. After a while these conversations, which led to a better understanding of the situation, were broken off by the company, in part anyway because the preferred shareholders of the company wanted to maintain a strong position. It seemed to us that not much could be gained by continuing these conversations.

Mr. Lewis: Mr. Chairman, may I pursue this matter for a moment? It was my understanding from reading newspaper reports that Dosco admitted that the common shares were valueless. I think that was the term used in the newspaper reports which I saw. I may say that is quite an admission. With regard to the preferred shares, I gather that Dosco is one preferred shareholder for a total of 26,521 preferred shares and the remaining 182,238 preferred shares are owned by—I did not write down the number—over 1,000 individuals from the Atlantic provinces and Quebec.

I should like to ask the minister whether he can tell us or can file, if he can obtain the information and if it is not supposed to be confidential, details as to who are these preferred shareholders. Can the minister tell us whether they are officers of Dosco or whether they are individuals who have no relationship with Dosco? Would the minister also inform us what the company or the so-called preferred shareholders' committee, which the company very cutely set up to do the negotiating if I read the newspaper reports rightly, claimed was due to them in respect of the preferred shares? I ask this question so that parliament may have some idea where the negotiations for the actual payment will start.

I think that before this committee and parliament passes the legislation giving the corporation the responsibility to negotiate the take-over—a responsibility which I remind you, sir, I strongly feel the government should retain and should not hand over to a corporation—we ought to know a little more about what is involved. We ought to know who the preferred shareholders are other than Dosco. We ought to know the individuals, companies or corporations concerned. I will use the legal word "person" to cover both the human and non-human person under law. We ought to know whether these people are shareholders of Dosco or have no connection at all with Dosco. If there are both categories, we ought to know the number in each category. We ought to know what the shareholders committee is asking per preferred share, in order to have some idea of the total amount involved.

• (8:40 p.m.)

We should know then whether the discussions indicated that the liabilities, which the corporation will necessarily have to take over if it is taking over Dominion Coal as a company, will be offset against the claimed assets, and if so what these liabilities are. If it is not taking over Dominion Coal totally as a concern but merely its so-called assets, then we should also know exactly what will happen to the company's liabilities.

I am not an expert in these matters and there may be other even more cogent points about which the minister should be asked questions. I will repeat, in general terms, that before we pass this clause we should know with greater precision what amounts are demanded so that parliament and the people of Canada, as well as the people in Cape Breton Island, will know more precisely what we are talking about and in what direction we are going.

Mr. Pepin: I am quite willing, even eager to give the hon. member any information I have on the subject. I am not trying to hide anything. I have already indicated the distribution of shares in the company. I think that was clear.

With respect to the identity of the preferred shareholders, I understand there is a list of these people but I do not have it with me. I am told they are not Dosco people. If the expression is not derogatory, they are quite "a mixed bag", different people from different areas, or different groups of people in society. They are not a league of some kind.

If I may add a third point, because the company has been made to appear quite inhuman, I do not want to comment on that, I will say that the Dominion Coal has never paid a dividend on common shares. They have not paid a dividend on preferred shares either since 1952.

Mr. Lewis: The press report referred to 1962.

Mr. Pepin: In my sketchy notes I have the year 1952. I will make a correction if this proves to be otherwise.

With respect to the price which Dosco is asking, the only documentation I can refer to is the correspondence between the company and the Minister of Finance. The hon. member will recall that at one time Dosco made an offer to the Minister of Finance to give up the operation, and in that offer certain prices were mentioned which I will indicate. As my hon. friend says, they asked $1 for all common shares. For its own 26,521 preferred shares Dosco asked $8 per share, a total of $212,168. Of course they could not indicate the price at which the other preferred shareholders would sell. I have said already that at one time the other preferred shareholders established a little syndicate or union of their own to defend themselves as well as possible in the circumstances.

With respect to the Princess and McBean mines, the company indicated a value of $5,193,621. They made the point that these two mines had received no grant or loan of any kind and that, at least on paper, they could be said to be making some money. This is why this important amount of money was indicated with regard to the two mines which Dosco owns directly.

With respect to assets and liabilities, some liabilities are indicated in the bill. If I remember correctly they are indicated in clause 12 (3) where it is stated:

> —the outstanding balance of principal moneys, together with accrued interest thereon, owing to Her Majesty—

That is a liability which will have to be taken into consideration.

I hope this answers the hon. member's questions to his satisfaction.

Mr. Lewis: I am sure these are all the answers which the minister has at present. I do not expect him to give answers which he does not have.

I was going to ask the minister whether he could tell us when these preferred shares were issued and how long the preferred shareholders, not necessarily the particular ones, have been on the list. I realize the minister may not have this information at hand, but could he tell us when the preferred shares were bought by the preferred shareholders.

Mr. Pepin: I am told that these shares were issued back in the 1930's, but I cannot be more specific than that.

I should like to say again that the last dividend on the preferred shares was paid out in 1952.

Mr. Lewis: Does the minister know what was the issue price per share?

Mr. Pepin: I am awaiting the assistance of the "Holy Spirit".

Mr. MacEwan: Did I understand the minister correctly that the price asked by the company for the assets of the McBean mine and the Princess colliery was $5,193,621? Did I also understand him correctly that the company said these two mines were actually the only ones making money in the whole Dosco group? If so, why then did the company say to the minister that in order to continue the life of the McBean mine even until 1968 they would require, as the minister stated this afternoon, a subvention of $3 more per ton, which would run into a couple of million dollars? Would the minister care to explain that?

Mr. Pepin: I use the word "value" and phrases such as "making money" with as wide a smile as I can display.

Mr. Lewis: It does not show on *Hansard.*

Mr. Pepin: I should point out "the minister smiles" or "the minister cries", whatever the mood may be. The "value" of McBean and Princess is predicated on subsidies being paid. Without these subsidies the "value" might be smaller. I will say that as a result of the disagreement as to what value is about the "conversations" between the department and the company came to an end.

To return to the subject of the value of the preferred shares, they were issued in 1934 and the par value at the time was $25 per share. The "Holy Spirit" has helped me.

Mr. Lewis: I have one other point on clause 9. If I understood the clause correctly, and I think I do, the bill provides three alternative ways in which the properties and the interests are to be acquired. The first one is by purchase on the basis of an agreement between the corporation and the companies; the second one is by purchase on the basis, presumably, of arbitration when there is no agreement; and the third one is by expropriation, if expropriation is necessary.

Cape Breton Development Corporation

• (8:50 p.m.)

I should like the minister to comment on the timetable that is involved. How long are the negotiations to continue before it is decided it is not worth proceeding any farther, and that the matter should go to arbitration or that the expropriation steps under clause 10 should be taken with the decision on the value to be left to the Exchequer Court?

Obviously, the negotiations could go on for a long time. I fully share the views of the hon. members from Nova Scotia who have taken an active part in this discussion. Whatever criticisms one may have of the legislation, it is important that events get rolling as quickly as possible after the bill becomes law.

I should like some assurance from the minister that the first alternative, of negotiation and agreement, will not be permitted to drag on for many days after the bill becomes law. I said "days", though obviously negotiations could take a few weeks; but they should not be continued for many weeks after this bill becomes law. If no agreement can be reached, the corporation may quickly use the power given to it under clause 10, which still protects the company so far as compensation is concerned, although the route to the amount is a different one.

Mr. Pepin: It might same time if I were to say that I agree entirely with the approach taken by the hon. member for York South.

Mr. Muir (Cape Breton North and Victoria): As you know, sir, I yielded the floor to the hon. member for York South who posed some questions that I had in mind.

An hon. Member: He was thinking of you.

Mr. Muir (Cape Breton North and Victoria): He was very lucky that I ceded him the floor. I remind him that all members from Nova Scotia have always taken an active part in any discussion that concerns Nova Scotia or, particularly, Cape Breton.

On page 4 of the Prime Minister's statement of December 29 I find this:

> Further work has to be done to implement this program:
>
> 1. Negotiations already under way for the acquisition of the mines will have to be completed with Dosco.

The Prime Minister assumed at that time, I take it, that the negotiations had to be completed before we went ahead. We find, now, that they are not complete. I wanted to ask a question along the lines of the question asked by the hon. member for York South. Suppose the corporation becomes a body corporate, and it gets down to work. How long will all this continue? The minister has not answered that question very well. How long will negotiations continue? Will they last for three months, six months, one year or two years? How long will it be before the corporation exercises the powers given to it in clause 9 under "power of acquisition"?

As has been said, there are three methods by which the corporation can exercise its power. I say that the corporation ought to go ahead. My question is, will this quibbling and bargaining go on for a long time or will the minister and the government say to the corporation: "You have gone far enough with these people; we will go in such and such a direction now."

Would the minister explain that clearly? At the same time, would he break down the value of Princess and McBean, as he has been asked to by the hon. member for Pictou. Did the figure that was given apply to both mines?

Since the corporation will control the mines, and bearing in mind the equipment that has been purchased, would the minister enlighten us—that is the correct word I think —about the future of Princess? Will it extend for the full period of 15 years, as is mentioned in the bill? Is there a good short term future for the mine? Would the minister give us information, and particularly with regard to Princess.

Mr. Pepin: In speaking on how long it will take to negotiate, I think I answered that question by reference to the hon. member for York South. He said that negotiations should not extend beyond a matter of weeks, and I agreed with his approach to the problem. Of course, it all depends on how willing the company will be to agree with the views of the corporation, and that I cannot predict.

Another big point will be the inventory of all assets of the company, and this is a colossal task.

On the subject of Princess and McBean I have already intimated that, in principle, McBean is not included in the take-over. Princess, of course, will be assessed separate from the Dominion Coal Limited mines.

Mr. Muir (Cape Breton North and Victoria): I understand that McBean is not included. The minister quoted a figure which I think was given to him by Dosco. I believe it was $5,193,621. Was that the total value of the

assets of McBean and Princess? Am I correct in assuming that it was? I wish to know what value is set on the Princess Colliery.

Mr. Pepin: I do not have the division between Princess and McBean. I have mentioned the cost of the two together, I do not have figures for each one of them separately. Perhaps those are in the letter that was written by Dosco; I shall find out.

May I underline that these figures were given two years ago, and that the situation has changed somewhat since then.

As to the length of time that Princess will operate, my hon. friend has asked me whether that would be 15 years and my answer is that I do not know. I know one thing: part of the equipment purchased under the $2 million authorization to the Dominion Coal Board for purchase of equipment is going to Princess. I would conclude, therefore, that Princess is one of those mines that will continue for a certain number of years. I cannot be more specific. This question is in the hands of the corporation. The corporation will introduce a plan in less than one year from now, and after that we shall have a better view of the pattern to be followed, always bearing in mind the realities of phasing in and phasing out.

Mr. Muir (Cape Breton North and Victoria): The minister undoubtedly must have received information from the chairman of Dominion Coal Board, who has experts at his disposal. Was the minister not advised of the mine's short term future? We are talking in terms of 15 years, as laid down by this government. The government must have received assistance during the past years from experts, such as the Minister of Fisheries, about the future of coal operations at Princess.

Mr. Pepin: I do not think we should pursue the matter because I am in no position to intimate what the phasing out period will be. That is up to the corporation, and I would be prejudging the corporation's decision if I were to indicate a period.

On the subject of the Dominion Coal Board, I have received many opinions from the coal board on all these matters but I cannot recall being given specific information on exactly how long Princess could be maintained in operation.

Mr. MacInnis (Cape Breton South): The minister mentioned the $5,193,621 that was involved in the Princess and McBean collieries, and he inferred that he was using figures that were two years old. Was he also using figures that were two years old when he referred to the 182,238 Dosco preferred shares that are held by 1,000 people?

Mr. Pepin: Yes.

Mr. MacInnis (Cape Breton South): Are those figures two years old?

Mr. Pepin: Just a moment, I apologize. The figures have been brought relatively up to date, up to six months ago.

Mr. MacInnis (Cape Breton South): They are still out of date. I suggest that a closer look at the figures will show that some people are gathering in preferred shares of Dominion Coal with a view to making a bonanza out of them. They want to take advantage of the government's announcement that it will take over Dominion Coal. I suggest that the minister should look carefully into this situation. The minister said that approximately 1,000 shareholders hold 182,238 shares. The Dominion Coal Company at one time were asking $8 for preferred shares which emphasizes something that was said earlier this afternoon, the need for the government to negotiate this sale.

• (9:00 p.m.)

Throughout the years the other party to this business arrangement, as I suppose we can call it, has been relying upon subvention payments from the government of Canada in order to carry on its business. I suggest the government would be in a far stronger negotiating position if it carried on these discussions directly rather than through the corporation.

My own opinion as to the value of this bill may differ from the opinions of other members. However, I believe the hon. member for Pictou and the hon. member for Cape Breton North and Victoria think upon the same lines as I do. I see advantages in the first part of this legislation, but I doubt that the second part will achieve its purpose. The first part is of value because it will make money available for necessary improvements which I trust will be carried out as soon as possible.

Again, I urge the government to conduct its own negotiations with Dosco. It will then be negotiating from strength whereas in other circumstances the shareholders might be in a position to hold up this development by asking more than the shares are worth. As far as Dosco is concerned, I think it is common knowledge that the shares are worthless. Dosco has indicated a price of $1 per share

for common stock and $8 for preferred stock. The other group of shareholders, those holding 182,238 shares, I believe, are setting themselves up as a separate association, more or less, for the purpose of dealing with the corporation and I would strongly suggest, as did the hon. member for York South and others, that the government ought to deal from strength in this respect. I do not really see how so few shareholders holding such bad paper can really hold out for anything worth while. I maintain there is not a single shareholder among those 1,000 or so people who could be hurt financially. Some might lose money, but if they could afford to hold on to paper such as this, whether they had just acquired it expecting to make a quick profit or whether they have held it for many years, I think the government is in a position to negotiate from strength.

Further, in connection with clause 9 I would ask the government to explain the reference in paragraph (a) which provides for an exception in the case of the railway line between Broughton Junction and Louisbourg. I ask the minister to tell us why this particular portion of the line was excluded.

Mr. Pepin: I will begin by dealing with the easiest question, first. The section of the Cumberland railway between Broughton and Louisbourg is excluded because it has no useful value or purpose in the continued operation of the coal mines. Louisbourg was formerly employed as a coal shipping port in winter when Sydney harbour was blocked by ice. It has not been used for such purposes for some years and the coal wharf at Louisburg has been removed. The rail line between Broughton and Louisbourg is in very poor condition seriously limiting train speeds for reasons of safety. If it were to be used, substantial capital would be required to rehabilitate the line. Currently only about one shipment of fish is made over the line each week. The Board of Transport Commissioners held a public hearing in Louisbourg at the end of May to consider an application for abandonment, and reserved judgment.

I have already seen the local press reports of the hearing held by the Transport Board on this matter, and, no doubt, the hon. member has also seen them. I believe he will agree with me that there is no further use for this line in connection with the coal operation, and this is why it is left out.

As to the other subject raised, gambling along with politics, is one of the oldest professions, but in this case I am told there has been only a limited amount of gambling and that most of the preferred shares are still in the hands of people who have held them for a long time. I am informed there are a considerable number of elderly people and widows among these shareholders—I do not want to bring out the sympathy of the hon. member for York South.

An hon. Member: What about the orphans?

Mr. Pepin: I am not sure how many orphans there are in this case. There are widows, though; the Minister of National Health and Welfare has made sure of that.

Some hon. Members: Oh.

Mr. McCleave: Is it because of the minister's interest in the elderly that this came about?

Some hon. Members: Oh, oh.

Mr. Pepin: No. The main reason is that some of them are from Quebec and he is practising his French. As to the negotiations, hon. members have been reminding me that the government should use all its strength to negotiate with the corporation. On reflection, they may wish to tone down that advice, because on other occasions they always caution governments against bulldozing people. I have no special sympathy for the company. At the same time, I would not like it to be said that we bulldozed the company, the preferred shareholders in particular. I think they must be given a fair chance of debating—of saying what, in their view, these assets are worth. I believe the hon. member for York South would be the last to insist that the government should use all its strength to bring a company down on its knees—especially now that he knows that among the preferred shareholders are many widows and elderly people. I think the shareholders have a right to present their case, and we are making sure of this in the legislation.

• (9:10 p.m.)

On the subject of compensatory value of the assets of the company, members should bear in mind that many of these assets have at least a sale or a scrap value. I am not saying the company might or would, but it could decide to sell the whole thing for scrap if the corporation offer is not considered fair. Then the corporation could not rationalize the mines because there would be no mines to rationalize. I think hon. members will agree that this is not as clear cut an operation as might appear in the first place. The three

methods we have indicated are, in progression, three ways of undertaking the operation. They should be used as rapidly as possible so that there will not be too much delay before the corporation gets into operation.

Mr. MacEwan: The bill refers to the fact that the value of the assets shall be determined as the fair market value. If expropriation is carried out the value would be established by a judge of the exchequer court. But in the other instance who will determine the value? Will the corporation's board of directors decide what is a fair market value, or will they be assisted by the Dominion Coal Board?

I recall that we had hopes some time ago that a mine in my area would be taken over by Dosco. Perhaps now it is a good thing that it was not. However, Dosco sent in a team and made an inventory. It was quite a job. The taking over, of all Dosco mines with the exception of one is also going to be quite a job. Who will establish the fair market value of the assets of this company?

Mr. Pepin: It depends on whether acquisition of the property is made by mutual consent, by agreed arbitration or expropriation. If it is done by mutual agreement the corporation will be negotiating just as the government would have done, and will use all the services available from the government or from private advisers that it can hire. However, the corporation must follow the principles indicated, of which my hon. friend is aware.

Mr. Muir (Cape Breton North and Victoria): I was touched by the minister's reference to the deep sympathy which the Minister of National Health and Welfare had for the widows and others who hold stock. I appreciate the feelings of the Minister of National Health and Welfare, but by the same token I hope he has equal sympathy for elderly people and widows who are unable to qualify for the guaranteed income supplement because of what he calls not a means test but an income test, these people who are being rejected every day for that supplement.

Clause 9(a) refers to:

> all or any part of the lands and personal property located in the county of Cape Breton in the province of Nova Scotia—

Would this include properties outside the county of Cape Breton which belong to Dosco?

Mr. Pepin: I would simply say that if such property were essential for the operation of the coal mines it would stand to reason it would be purchased, but I am informed that this is probably not the case.

Mr. Muir (Cape Breton North and Victoria): I am thinking about holdings in Victoria county which, in the case of expropriation and so on, should be included in the actual holdings of Dosco. I am thinking about new construction that took place in recent years, but not in Cape Breton county.

Mr. Pepin: Clause 9(a) is clear in that it says it has to be property located in the county of Cape Breton.

Mr. Muir (Cape Breton North and Victoria): So, if expropriation takes place, they do not touch anything outside the county of Cape Breton?

Mr. Pepin: That is what the legislation says.

Mr. Lewis: The hon. member has a point. Did the drafters of this legislation literally mean the county of Cape Breton, or did they mean the island of Cape Breton? If I remember correctly, Cape Breton has four counties. The hon. member was asking whether any holdings of the company outside the county of Cape Breton would be covered. Under the language of clause 9(a) and (b) if holdings are outside the county they are not covered by the legislation. Is that what the minister and his advisers intend?

Mr. Pepin: The Speaker would say this is a hypothetical question because to the best of our knowledge, unless the company has been hiding things, there is nothing outside Cape Breton county.

Mr. Lewis: Would the minister object to a change in this clause, to cover the whole of Cape Breton island lest the corporation be hamstrung in any negotiations?

Mr. Pepin: This legislation is as flexible as the minister. Section 23(b) dealing with the industrial division states that the corporation can:

> purchase, lease or otherwise acquire any lands or interests therein on Cape Breton island and manage, improve, develop or otherwise deal with or administer the same;

Mr. Lewis: I don't think that meets the situation.

Mr. Pepin: Again, my information is that there is nothing outside Cape Breton county to acquire.

Mr. Lewis: Since the minister is so flexible, and since I am sure he has not made a thorough inventory of everything available, why shouldn't he use the same language in both clauses?

Mr. Muir (Cape Breton North and Victoria): The minister has referred to clause 23(b) but that is in reference to the industrial development division acquiring lands for all these new industries that we hope will come there. I do not think there is anything the company is trying to hide, as the minister has sort of intimated, but if expropriation takes place there are properties in other parts of the island and construction that the people of Canada should get.

Mr. Pepin: I do not think we should pursue the point in view of the fact that our information says that there is nothing outside Cape Breton county to be acquired. However, if we find something we can introduce an amendment later. For all practical purposes, one is not necessary now.

Mr. Muir (Cape Breton North and Victoria): It is not a question of anybody finding something. We want to get the matter clarified. As the hon. member for Cape Breton South says, what will the corporation buy? Does the corporation know what it is going to buy and where it is located? There must be deeds to certain property. The brilliant people who are legal advisers must know what is going on. I say the company is not hiding anything, and I have no doubt about that.

• (9:20 p.m.)

If a figure for expropriation purposes has been set beforehand, then certainly the people of Canada, whose money will be used to purchase these holdings, should get anything and everything that is available.

Mr. Pepin: If the property in Cape Breton county is immovable, then that is what we want. If it is movable property, I presume that it can be moved off the island or back on to the island, depending on whether or not it is needed for coal operations. So, I really fail to see any problem there.

Mr. MacInnis (Cape Breton South): Perhaps the minister might care to turn round and ask the Minister of National Health and Welfare whether or not Dosco has any interest in leases of coal property in Inverness county. The situation here is left pretty flexible with regard to what the government is going to acquire. I should have thought the minister would have come into the committee fully prepared to answer such questions.

I remember not too long ago the Minister of National Defence trying to sell some 20 year old cable to some people who had discovered it where it was abandoned after the war. The reply of the minister at that time was: "Tell me where it is and we will sell it to them". That is the way the government operates on many occasions. We have had a government that would sell somebody something provided the purchaser told them where to find it. We now have a government that wants to sell something but they do not know where it is.

I suspect the minister is being sympathetic toward Dosco, especially to the widows to whom reference was made. This is the first information I have been given about the Minister of National Health and Welfare being a man killer. Reference was made to widows holding shares. As I said before, Mr. Chairman, if there are any widows holding shares in Dosco, they have been holding what is considered by many as bad paper, and I suggest they can well afford to hold them. After all, there are such things as rich widows.

I suggest to the minister that he should be prepared to table a list of the shareholders of Dosco showing the individual equities in Dosco stock prior to the policy statement of the Prime Minister when the shares were worth $5 apiece on the market, as well as the list of the present shareholders and the individual equities when the shares are worth $12. This is an increase of $7 as a result of the policy statement made by this government.

When paper that has been considered worthless on the market for years suddenly jumps $7 in value after a policy statement made by the government, do not think somebody has not been playing around. The minister said that he listed about a thousand stockholders six months ago. I would ask the minister to be prepared to produce a list of stockholders showing their individual equities so that we can see whether there are still a thousand of them, or whether there is a smaller group gathering in these shares in order to make a killing. Shares do not jump from $5 to $12, following a policy statement by the government, unless some people are actively collecting them in the hope of doubling their money.

When the minister does this, he might also list the number of poor widows who are holding Dosco preferred shares. I would be very much surprised if he came up with one name.

I think I will let this particular matter go until we get an answer from the minister as to whether or not he is prepared to do this.

Mr. Pepin: Mr. Chairman, in respect of Dosco property in Cape Breton I am informed that a crew of experts from Burchell, Sullivan and Company, of Sydney have been conducting an inventory, which extended over two months, but they have not found anything outside Cape Breton county belonging to the corporation.

Mr. MacInnis (Cape Breton South): May I make the observation that Mr. Sullivan could not find enough votes, either, outside Cape Breton county.

Mr. Pepin: I do not know these Liberal people. With regard to the second point, I will try to get a list of preferred shareholders and I will table it later on, if I get permission.

Mr. Schreyer: Mr. Chairman, the remarks made by the hon. member for Cape Breton South, not only in the last few minutes but one or two rounds ago, provide the basis for some of the observations that I want to make about the terms of clauses 9 and 10, if I may take them together.

The minister is asking for expropriation powers for certain purposes. When he is asked about the intent that lies behind these expropriation powers he is not able to answer with any precision. I can understand that, because even if he were to know how long a period of time the corporation were prepared to negotiate, and negotiate in vain, before exercising its expropriation powers, he would be unwise to declare any specific time period because this would tend to detract from the genuineness of the negotiation process.

However, Mr. Chairman, more and more people are becoming concerned about the inconsistency with which different departments of this government, as well as the different levels of government in this country, exercise the basic power of expropriation of private property. The Department of National Defence has been known in the past to file plans of expropriation right off the bat without making any pretence whatsoever of negotiation with individual property holders. This was the case with regard to the acquisition of property adjacent to national defence property at Val Cartier, the defence establishment there.

The province of Manitoba has, on previous occasions, filed plans of expropriation without making any effort to negotiate first with the owners of private property.

I must admit to some confusion about why the government is asking specifically for the power of expropriation in this bill. In any case, we are given to understand by the minister that the exercise of the power of expropriation granted in the bill will be held back until the expiration of a certain period of time, a period of time which is indefinite and which of necessity must remain indefinite as far as we here are concerned. Until such time period has elapsed, the corporation will not exercise this power.

The question then arises, why should one department of the federal government have a certain fixed policy with regard to expropriation practices while another department has a quite different policy? The question begins to arise in many persons' minds that it seems to matter to a considerable extent just who is involved when it comes to governments and crown corporations exercising the power of expropriation. I feel that that observation should be made, and I hope that not only the minister in charge of the bill but all of his colleagues will bear in mind that we need greater consistency in policy on the part of the government.

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, despite what the minister has said, I want to refer once again to clause 9, paragraph (a) of which refers to all or any part of the lands and personal property located in the county of Cape Breton in the province of Nova Scotia, and paragraph (b) of which refers to all interests of the companies in lands and all personal property located under waters adjacent to the said county of Cape Breton.

• (9:30 p.m.)

I stand subject to correction because I may be wrong, and that is quite an admission because I know certain members of the house would never make a statement like that, but I have a feeling that there are holdings outside of Cape Breton county. As a result, I should like to move:

That clause 9, paragraphs (a) and (b) be amended by replacing the word "county" with the word "island".

This will mean the clause will refer to all or any part of the lands and personal property located on the island of Cape Breton, and all the interests of the companies in lands and all personal property located under waters adjacent to the said island of Cape Breton.

Cape Breton Development Corporation

Mr. Pepin: I do not like to hear the hon. member for Cape Breton North and Victoria depreciating himself the way he was doing a moment ago. In order to cheer him up, we are going to accept his amendment. I should indicate that the same words are to be found in other clauses which will have to be similarly amended. Obviously, he has some information he wants to keep secret, so we will just have to accept his word and the amendment.

Mr. MacInnis (Cape Breton South): Mr. Chairman, I asked earlier about that section of line between Broughton Junction and Louisbourg, and whether the government was prejudging a dispute now before the supreme court involving off-shore mineral rights, as was suspected in relation to a hearing before the board of transport commissioners. Will the corporation in fact be buying something to which the government now lays claim in the courts?

Mr. Pepin: Clause 9(b) in respect of the property under waters adjacent to the said island is included as a precautionary measure. There is nothing mysterious about it. Everybody is aware of the dispute between the governments of Canada and Nova Scotia, and we want to be very specific as to what is being acquired without prejudging the decision or the opinion of the court.

Clause 9 as amended agreed to.

Clauses 10 and 11 agreed to.

On Clause 12—*Establishment or determination of amount of consideration or compensation.*

Mr. MacEwan: Mr. Chairman, I should like to ask the minister about the subventions referred to on page two of the agreement between Canada and the province of Nova Scotia as set out in order in council P.C. 1966-54 of May 23, 1966. I should like to be very clear that these subventions as set out, namely $10.50 for coal delivered to points in Ontario and Quebec and $8.50 for coal delivered in the Atlantic area, will still be continued so far as the McBean mine is concerned. Is the minister in a position to give a general list of the equipment which has or will be purchased by the Dominion Coal Board and leased to Dosco? Having regard to clause 12(3), can the minister give some details about the agreement dated March 14, 1950 between the Dominion Coal Company and His Majesty the King in the right of Canada? Perhaps we could have some details as to whether this refers to loans which have been obtained by Dosco under the Coal Production Assistance Act. I hope the minister will attempt to answer these questions in his reply.

[Mr. Muir (Cape Breton North and Victoria).]

Mr. Pepin: Those are three good questions. The first has to do with the order in council referred to in the agreement between Canada and Cape Breton. I might indicate that there was a mistake in the agreement. The order in council is actually P.C. 1966—541. To be more specific, we should also have said in the agreement that the provision related not only to that particular order in council but to previous ones as well. I am writing to Premier Stanfield to explain this error and obtain a *de facto* amendment to the agreement.

In respect of the application of subventions to the McBean mine, I already indicated that we have offered continuation of subventions to Dosco at the level at which they are now. I do not know what we will do if Dosco does not accept this offer.

As to the coal mining equipment purchased by the Dominion Coal Board for Dosco, that equipment is going to be on loan to Dosco until the corporation takes over. I have a list here and this is what I think the hon. member would like to have. I do not know whether I can pronounce all these names in English, but I shall try. The list includes scraper chain conveyors, valued at about $7,000; hydraulic hose, $3,000, a centrifugal pump and motor conveyor pans and chains, tee pressure connectors, rubber pressure hose, ramp plates and transformers, a front end loader valued at $18,000, a vibratory feed, mine cars valued at $494,000.

The list also contains a cyclone, a varitrough conveyor, conveyor belting, screens and motors, a monorail and bogies, spill plates and cover plates, and so on. I will let my hon. friend have this list.

Mr. MacEwan: May I ask the minister whether the mine cars have been ordered as yet?

Mr. Pepin: Yes. At one point I was told that it might take three or four months to get this equipment, and perhaps even longer. The chairman of the coal board wrote me a few days ago stating that some of this equipment was already being received by the company, so it is being delivered faster than anticipated. This is another reason of the fact we wish to proceed as rapidly as possible. We have already purchased some of the equipment that was necessary to keep the mines going for a longer period of time.

• (9:40 p.m.)

The third question concerned the loan made in the past to Dosco by the Dominion Coal Board. On this subject, I would refer my hon. friend to question 2504. The answer to this question will be found in *Hansard*. It gives complete, detailed information on this loan. The answer indicates that the balance, including interest, up to December 31, 1966, still owing to the government of Canada is in the amount of $4,993,084.42. I am quite sure that if my hon. friend would refer to question 2,504 he would obtain full information in this regard.

The Chairman: Shall clause 12 carry?

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, we passed by clause 10 and are on clause 12. There is another matter on which I should like clarification. I assume from the statement of the minister that henceforth in this bill all the clauses referring to Cape Breton county will deal with Cape Breton Island. Is this correct?

Mr. Knowles: Do we not have to make this amendment in committee? I would suggest that since the minister intended to make this amendment, we might revert to clause 10, Mr. Chairman.

Mr. Pepin: Mr. Chairman, the county of Cape Breton is mentioned twice in clause 10; one is in line 28 and the other in line 33. If hon. members would like to make all the changes in one shot, this is quite agreeable to me. There is also mention of the county of Cape Breton in clause 35, line 36.

Mr. Knowles: You cannot do that.

Mr. Pepin: The expert on procedure says we cannot do that.

Mr. Knowles: I do not think the chairman would allow you to do it.

Mr. Muir (Cape Breton North and Victoria): I do not agree. This would be the best way to expedite the necessary amendment.

The Chairman: I suggest to the committee that we should conclude the discussion on clause 12. When clause 12 is carried the committee could revert to clause 10 in order to make the necessary amendment.

Mr. MacEwan: I have one further question, Mr. Chairman. I asked the minister whether he could tell me if the new coal cars had been ordered. If he can, has he received this information from the coal board; and if so, from what company have they been ordered?

Mr. Pepin: I have before me a list of items that have been ordered. I am informed that the coal cars have been ordered from Hawker Siddeley.

Mr. MacEwan: Trenton works?

Mr. Pepin: Yes.

Clause 12 agreed to.

The Chairman: We will now revert to clause 10.

On clause 10—*Deposit of plan and registration of inventory.*

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, following the discussion of a few minutes ago, with respect to clause 10 (1) (c), line 28, and paragraph (d), line 33, I move, seconded by the hon. member for Cape Breton South:

That the word "county" be substituted by the word "island".

Motion agreed to.

The Chairman: Shall clause 10 as amended carry?

Clause 10 as amended agreed to.

Clauses 13 to 15 inclusive agreed to.

On clause 16—*Powers.*

Mr. MacInnis (Cape Breton South): Mr. Chairman, I do not know whether now is the appropriate time to raise this matter, but in the powers allocated to the crown corporation I see nothing about the resale of any property that may be taken over other than, of course, the resale of the coal itself. I wonder whether we might not include a provision in this clause covering the resale of any property taken over by the crown corporation in respect of Dominion Coal.

Mr. Pepin: Mr. Chairman, would the hon. member be more specific with regard to what he has in mind? I am sorry, but I did not follow him too clearly.

Mr. MacInnis (Cape Breton South): Some of the questions I have asked have not received a very satisfactory answer, but in order to be more specific I would ask the minister why the government hired the firm of Sullivan and Burchill to find out these things, if he wants me to give him the answer?

Mr. Pepin: The corporation has as wide and as flexible powers as possible. If there is a need for reselling, it is in clause 23. I understand this is on the industrial development side. Paragraph (c) provides:

—sell or otherwise dispose of any lands or interests therein acquired by it for such consideration—

And so on.

Mr. MacInnis (Cape Breton South): That is in respect of acquiring. I realize that in the clause dealing with the industrial development division there are provisions for resale. I am concerned with any authority that may be given the coal division in respect of resale. I take it that other than the selling of the coal they have no powers for selling, and any properties acquired by the coal division will be passed over to the development division for resale. Am I correct in that understanding?

Mr. Pepin: If it is not there, it is included in clause 16 paragraph (d), which provides as follows:

—do all such other things as the corporation deems incidental or conducive to the attainment of its objects in relation to the coal division.

That is wide enough to cover anything that anybody may have in mind.

Mr. MacInnis (Cape Breton South): I cannot interpret that as authority to sell.

Mr. Pepin: "Do all such other things" can be to sell. The officials sitting in front of me are intrigued about what my hon. friend has in mind. Does he mean that the corporation should have the right to sell some of the mines?

Mr. MacInnis (Cape Breton South): No. I am referring to the authority given the industrial development division and the powers given it for buying and reselling the assets.

• (9:50 p.m.)

But I see nothing here giving power to the coal division to sell any property which they may acquire in the take-over, other than the coal itself.

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, if I may elaborate upon what I and the hon. member for Cape Breton South have in mind, the government is in the process of putting millions of dollars into the purchase of new equipment. In the process of phasing out, some of these mines may disappear in a short period of time and we hope other employment will be found for the miners, but what will happen to the hoisting engines, haulage cables and cutting machines worth thousands and thousands of dollars? What body will handle this equipment? Will it be the Crown Assets Disposal Corporation? Will they get as much money out of this as they can by the resale of this equipment. I trust it will be advertised properly and sold on tenders.

[Mr. MacInnis (Cape Breton South).]

Mr. Pepin: So far as the sale of a mine is concerned, it is not intended that the corporation should pass on its responsibility to someone else. It is there to operate the mines and to rationalize them.

So far as property is concerned, the corporation has the same powers as has any other corporation to advertise and sell to the highest bidder what is no longer useful to it.

Mr. Lewis: I think perhaps clause 34 (2) may be applicable.

Mr. MacInnis (Cape Breton South): Without being specific as to the properties or holdings which, as I indicated, we will be watching with interest, the minister apparently is not aware that each and every day of the operations of the coal mines some equipment becomes either obsolete or is scrapped. There is a considerable amount of money involved in this. Is this equipment to be disposed of by the coal division or by the industrial development division, and what processes will be followed? Will it be passed over to the Crown Assets Disposal Corporation for disposal or is the coal division to be authorized to resell the equipment?

Mr. Pepin: Clause 34 specifically says:

The Surplus Crown Assets Act does not apply to the Corporation or to the property of the Corporation.

As to whether the coal or the industrial development division will be authorized to sell the equipment, I do not think this is particularly important so long as the corporation itself has this responsibility and takes the full responsibility for the way it is done.

Mr. MacInnis (Cape Breton South): I think some importance should be attached to the procedure in the event that the coal division is given the authority to sell obsolete equipment. Since they administer their own bonds, at least we would be sure that money from any resale would be channelled into the coal division in order to maintain and continue operations of any one line.

Mr. Pepin: I agree.

Mr. MacInnis (Cape Breton South): By agreeing, does the minister mean he will give the coal division authority for resale?

Mr. Pepin: That's right. If the coal division of the crown corporation has the responsibility to operate the mines, it would also have the responsibility to dispose of equipment which is no longer necessary in the operation of the mines.

Mr. MacInnis (Cape Breton South): Can I quote the minister from *Hansard* in the future?

Mr. Muir (Cape Breton North and Victoria): I have just one short question, Mr. Chairman. Do I take it that when these goods are disposed of in the manner described by the minister the public of Canada will receive an itemized list of them, and the names of those who receive those goods will also be advertised as well as how much was paid for them?

Mr. Pepin: I would assume that indeed. They should be sold by public tender and the highest bidder would get whatever is on sale.

Mr. McCleave: I wonder if the minister's legal advisers would look again at clause 16 of the bill with regard to the powers of the coal division and clause 23 with regard to the powers of the industrial development division? Could the minister tell us whether he is satisfied that these two put together would give the corporation an opportunity to develop new seams of coal which so far have been untouched by Dosco. After looking at clause 16, I doubt whether that power is given, and the power in clause 23 seems to be too general to permit that. If the minister can say that his legal advisers suggest that this power does exist, then perhaps I will be satisfied.

Mr. Pepin: The answer is covered by paragraph (b) apparently, but what is even more important is the fact that we are making $25 million available for rehabilitation and modernization of the mines. It is known that the $25 million is made up of two parts, one being $15 million for the rehabilitation of some of the mines, and the other being $10 million to fulfil the commitment of the government that a mine might be opened at Lingan. However, as I said before, it is left to the corporation to decide what is in the best interest of the coal operation and of the people in the area. So, I think the best assurance that all hon. members can have that a mine might be opened at Lingan, if it is found to be in the interests of the corporation and of the people in the area, is the fact that we are making money available for that purpose.

Mr. McCleave: I thank the minister for his answer but I do not think paragraph (b) covers the point which he made with relation to the Lingan coal seam. It is not a coal mine as yet, and I think if he added the words "or seams" after "coal mines" this would make it crystal clear that the corporation had the power given to it by parliament to take over the Lingan seam.

I do not think that this power is inherent in the words of this clause.

Mr. Pepin: I am informed that the addition of these words is unnecessary. The power to operate these mines includes the power to open a new mine.

Mr. MacInnis (Cape Breton South): The minister indicated that the $25 million allotted has been broken down in accordance with the policy statement made by the Minister of National Health and Welfare on October 5, 1965 in Halifax. However, I see no reference whatsoever to any such breakdown in the legislation. The bill does mention the 25 million, and we are thankful for that, but there is no reference to what the minister said about the $10 million for the opening of the new seam.

Mr. Pepin: But there is reference to the $25 million.

Mr. Muir (Cape Breton North and Victoria): I am shocked at the attitude of the minister on this point. He said several times that a new mine "might be opened". This is not what the Minister of National Health and Welfare said so many times in his policy statement on October 5. He said, prior to the federal election, that the Lingan mine will be opened. I mentioned this in the house last Thursday and I directed my remarks at both the Minister of Energy, Mines and Resources and the Minister of National Health and Welfare. I will quote what I said then. I was reading what the Liberal candidate had said. My statement appears at page 1572 of *Hansard* of June 15. I said:

> All the advertising by Liberal candidates in the election campaign of 1965 said it was a *fait accompli*. They said: We have a new mine at Lingan. We have told you this, and our minister has said so. Therefore we are looking forward to a new mine.

At that point the Minister of National Health and Welfare nodded his head, which

was not recorded in *Hansard*, but I put it on the record by saying:

> The minister nods his head. I am so pleased at that indication that there will be a new mine at Lingan. I thank the minister very much for that indication, because we have been quite worried about the matter for some time. There is now no need to deal further with the question because we will have a new mine at Lingan.

So I am rather surprised that the minister uses the word "might". Does the minister agree with the Minister of National Health and Welfare that a new coal mine will be opened in Lingan in the Glace Bay area by the Cape Breton Development Corporation upon its establishment?

• (10:00 p.m.)

Mr. Pepin: I agree; there is provision in the bill for that eventuality. Clause 19(b) refers to:

> —the aggregate twenty-five million dollars, for the purposes of reorganizing and rehabilitating the coal mining and related works and undertakings refered to in section 15 and for preparatory work in connection with the conduct by the Corporation of coal mining and related operations.

The money is available and we must leave it to the expertise of the corporation to decide on how best to spend it.

Mr. Muir (Cape Breton North and Victoria): I do not know why that should be left to the expertise of the coal board because the expertise of the Minister of National Health and Welfare has been involved in this matter for many months. For many months, I and other members from Cape Breton have questioned the Prime Minister and the Minister of National Health and Welfare, but Mr. Speaker ruled many of our questions out of order. Nevertheless, on another occasion the Minister of Transport reaffirmed that the policy would be put into effect as stated by the Minister of National Health and Welfare as of November 5, 1965, which was that a new coal mine would be opened in the Lingan area of Glace Bay.

Mr. Pepin: I can only say that politicians are supposed to fulfil their promises, and when they cannot fulfil all their promises the best they can do is to make money available for the fulfilment of those promises provided they are found to be in the best interests of the population. That is what we have in mind.

Mr. MacInnis (Cape Breton South): I appreciate what the minister said about keeping promises. If the government comes as close to keeping other promises as it has to keeping this promise the country would be better off. I ask the minister too desist from using the word "might". For a minister of the crown to use the word "might" leaves an implication, which the development corporation will take up, that the government is saying more or less: "This is something that can be done but we do not want to do it."

[Mr. Muir (Cape Breton North and Victoria).]

I ask the minister to remember the words of the Minister of National Health and Welfare, the Minister of Transport, the Minister of Finance and the Prime Minister, as well as other ministers, and to stop using the word "might" and to get down to business.

Mr. Knowles: Ten o'clock.

Mr. McCleave: May I suggest an amendment to clause 16(b) which would make crystal clear what the minister and others were talking about a few minutes ago? After the word "improve" could we not add the word "open" so that the paragraph would read:

> —rehabiliate, improve, open, operate and maintain any coal mines—

Mr. Knowles: Ten o'clock.

Mr. McCleave: Would the minister not agree to that simple amendment?

Mr. Churchill: Think about it over night.

Mr. Pepin: If the hon. member for Halifax finds this absolutely necessary, I have no objection. But the corporation will still have to decide what has to be done in rehabilitating, improving, opening, operating and maintaining any coal mines.

By the way, would hon. members be kind enough to allow us to go on and finish the bill, as apparently it would be quite difficult to bring it back into the house. Everybody agrees that it is not desirable to delay passage.

Mr. Lewis: I wish I could accommodate the minister. I do not know what difficulties there are in bringing the bill back. One or two other clauses will require considerable study and that would make this session very late. I see no reason, unless I can be shown one, for not continuing for one hour or two, say, tomorrow.

I do not know what the leader of the house has in mind for tomorrow. I am not being dogmatic, yet. I want to be shown why this committee should sit until 11.30 p.m. or twelve o'clock to complete this bill, assuming we can complete it by then, at this point in the new

session. Unless somebody persuades me to the contrary I, for one, would not agree to it.

Mr. Knowles: Ten o'clock.

Mr. Pepin: One of the reasons is that I am hoping to go to the Canada-United States ministerial committee meetings in Montreal on Thursday, and I would like to see this completed, first.

Mr. Lewis: As far as we in this group are concerned, unless the leader of the house has other plans it can be done tomorrow.

Mr. Pepin: My estimates are on the agenda tomorrow; I was just trying to give hon. members more time in which to reprimand me in connection with those estimates.

Mr. Churchill: Ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Starr: May I ask the leader of the house what the business is to be tomorrow? Will we carry on with our consideration of this bill or will we move to some other business?

Mr. MacEachen: The business for tomorrow was announced on Thursday in an effort to keep the house advised as far in advance as possible. There will be no change in the business tomorrow.

Mr. Churchill: Could we not be told the business for tomorrow instead of having to look back to Thursday's *Hansard*?

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

BIRTH CONTROL—INQUIRY AS TO AMENDMENT OF CRIMINAL CODE

Mrs. Grace MacInnis (Vancouver-Kingsway): On June 9 I asked whether the government would be prepared to give a definite assurance in this house that legislation would be introduced this session to legalize birth control in Canada. I am well aware, as I was when I asked that question, that government spokesmen have made speeches here and there to the effect that birth control will be legalized some time this year. But I would very much like the government to stop playing this cat and mouse game with hon. members and with the public, and let us know definitely here in the house when action is to be taken.

There should be no further need for cat and mouse tactics. Last December, after a long and careful study, the standing committee on health and welfare recommended that birth control be made legal, that it should no longer be an offence under the Criminal Code. The Committee recommended also that regulations should be introduced under the Food and Drugs Act concerning the distribution and advertising of contraceptives and that henceforth in Canada birth control should be left to the individual conscience.

• (10:10 p.m.)

In other words, individuals who believed in getting information and birth control devices should have the right to do so without it being considered a crime. Those people who, because of religion or conscience or anything of that type, did not believe in such things should not have any information or devices forced upon them. It is very significant, Mr. Speaker, that throughout the long sessions of the health and welfare committee only one organization, a smaller church body, wanted to keep the Criminal Code the way it is.

It is not my purpose at the moment to debate the pros and cons of birth control. That has already been done. My purpose is to ask assurance that legislation to give effect to our committee recommendation, and to legalize birth control, will be brought in this session. I want the assurance of the government to that effect, and I want it for two or three reasons.

I think it is very important that we lose no time in getting rid of a bad law. We were assured by delegation after delegation from different bodies who appeared before the committee that this is a bad law on the statute books, a law which cannot be enforced. It is a poor thing to keep a law of this type on the statute books because it breeds disrespect and disrepute for the law.

The Canadian Catholic Conference of Bishops was one of the bodies which strongly urged that the legislation in its present form be removed from the Criminal Code.

In the second place, I would very much like to see us without fear in this centennial year move Canada at least into the twentieth century, along with a lot of other countries, in this matter of the legalization of birth control. On June 9, when I raised this question, I mentioned that France had been the most

recent country to announce it was moving forward to legalize birth control. France is worried about a falling birth rate.

Our own birth rate in Canada has been falling somewhat, although I do not believe to such a degree that it is worrying anybody. However, in France they are concerned about it but they are not hoping to maintain the birth rate by keeping birth control illegal. They are taking a much wiser course. They are beginning to think that by encouraging subsidized housing for married couples and by other measures they can increase the birth rate to the level which they want.

I think it is high time in this country that we wiped out the hypocritical attitude we have had toward birth control. It is a peculiar thing when you find a great big municipality like Scarborough has been put in the position of illegally operating a birth control clinic for some time now, and that every minister, every priest and every physician who made birth control information available with respect to the handling of contraceptives has been guilty of an illegal act. I, for one, would like to make sure that the government without fail is going to introduce legislation of this type this session, and will announce so here in this house which is the proper place.

I see no reason why the minister should get up and say it is going to be announced in due course. Everybody outside has been told it is coming in this session. I would like to ask the minister, please make this announcement in the house so that we will know once and for all, and so that the Canadian people will realize this thing is going to be introduced as definite legislation this year.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I listened with great interest to the hon. lady's observations of a philosophical, statistical and sociological nature on this very important subject. The Prime Minister (Mr. Pearson) has already made references to this particular subject and the hon. lady has raised no new question that would require an addition to his comments at the present time.

Mr. Knowles: Can't you just say yes?

TRADE—REPORTED LACK OF DEPARTMENT PERSONNEL SPEAKING JAPANESE

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, on April 4, on the adjournment hour debate, I raised a question about lack of diplomatic representation around the Pacific rim. The parliamentary secretary to the Secretary of State for External Affairs felt that I was a bit off base because he said the real question that I was asking had to do with trade. He obviously had not done his homework because he did not know what trade representatives we had, but later on, taking a chance anyway, he said:

> We have a farflung trade commissioner service and I do not doubt that we are represented in those posts.

At that time the hon. member for Red Deer pointed out to him that we were not even represented by trade commissioners in these posts. I was interested to read a few days ago that in the parliamentary committee on finance, trade and economic affairs a most startling answer was given in reply to some perceptive questioning by the hon. member for Nanaimo-Cowichan-The Islands. From this answer we learned that there is no officer of Japanese extraction in the division for trade promotion; that trade officers in Tokyo have only an imperfect command of the simpler terms in spoken Japanese; that the department had thought of offering a limited course in the Japanese language, but because it would take two years of constant study to make a person fluent this was regarded as too expensive.

The only cheerful note struck in this questioning was that the parliamentary secretary to the Secretary of State for External Affairs had done some homework since my question of April 4, and he is quoted as saying that the trade department of his own government is missing a great opportunity in not employing the mosaic nature of the Canadian community. He said that it was bizarre that Canada lacks a single Japanese speaking trade commissioner.

I can imagine his concern to learn so shortly after my question on April 4 that not only did we have no trade commissioner in that area, but our chances of sending anyone knowledgeable in the Korean or Chinese languages or the languages of Thailand would be very slender indeed if we were unable to send anyone to a trading nation so important to us as Japan, a country which has been so important to us for a long time now, who was familiar with the Japanese language.

That is why I asked the minister the other day whether there would be a recruiting campaign or any crash program of language instruction designed to fill this very important gap. I cannot accept the defeatist attitude of the department that two years of constant study is required to make a person fluent in

Japanese. In other words, that the department would have to start from scratch now.

More than one university in Canada conducts courses in the Japanese language. The University of British Columbia has been offering courses in the Japanese language since 1956. This I know because I was a member of the first class to study Japanese at the University of British Columbia. There were 14 in that class, and classes have been held since then. Admittedly not everyone in the class would be fluent in the language, but they would at least have a groundwork.

If the department conducted a recruiting campaign in places such as universities or among the Japanese-Canadian community, it might not be at all necessary to initiate a special language course. But even if this were the case, Mr. Speaker, we would not have to start from scratch; we would be able to find applicants who would at least have the basics of the language.

We in British Columbia and in the west of Canada are extremely concerned, and have been for a long time, about the whole question of trade promotion and trade commissioners in the Pacific rim. We welcomed the announcement of the Prime Minister the other day that very shortly an ambassador to Korea would be appointed. This is something to which we have looked forward for a long time. We in British Columbia hope that many of the departments of the federal government will live up to the statement that is often made by various representatives of the government, namely that the federal government is vitally concerned in the Pacific rim.

• (10:20 p.m.)

It is so concerned, in fact, that the government of British Columbia is advised not to go out on its own in the Pacific rim to establish relations, but to leave this up to the central government. However, we run across the sort of evidence which was brought out in the committee the other day, and we are seriously concerned whether the government can live up to its announced expectations in this area.

Hon. Jean-Luc Pepin (Acting Minister of Trade and Commerce): Mr. Speaker, the suggested answer by the Department of Trade and Commerce repeats the argument that linguists consider a two year training period to be minimal in achieving a reasonable degree of fluency in this very difficult language. Departmental assignments abroad are rotational and it has been the view that a two year training period is too costly in terms of its proportion of an officer's career to be realistic when the posting time in Japan is two and a half years. Of course, entrance to the department is open to Canadians of Japanese origin and Canadians who speak Japanese, so I would think that those who felt they would like to take up this work would have a very good chance of being accepted.

The department does, of course, have local nationals on strength to translate and interpret, and it employs two commercial officers in its Tokyo office who are fluent in Japanese. These are in addition to its clerical and stenographic staff. Because of the high proportion of Japanese businessmen who are fluent in the English language, the department has encountered no real difficulty in conducting its business in Japan.

Personally I think the suggestion made by the hon. member that a special contest or drive should take place is a good one, and I will pass it on personally to the minister of the Department of Trade and Commerce.

Motion agreed to and the house adjourned at 10.25 p.m.

HOUSE OF COMMONS

Tuesday, June 20, 1967

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CHAIRMAN, WORLD COUNCIL OF CHURCHES

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have the honour to draw your attention and the attention of the house to the presence in the gallery of Dr. Franklin Fry, Chairman of the World Council of Churches, and the titular head of the Lutheran Church in North America.

Some hon. Members: Hear, hear.

UNITED NATIONS

OUTER SPACE—INDICATION OF INTENTION TO RATIFY TREATY

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I am pleased to be able to inform hon. members that it is the intention of Canada to ratify, as soon as possible, the treaty on principles governing activities of states in the exploration and use of outer space including the moon and other celestial bodies. Order in council authorization for such ratification is being sought, as the house standing committee on external affairs was informed last Thursday.

Perhaps I should first of all say a word or two about the reason why ratification by Canada of this treaty is a matter of some urgency. This is because the three depositary countries, the United Kingdom, the United States of America and the Soviet union are themselves in the process of ratifying the treaty in accordance with their respective constitutional procedures.

It is expected that, following the precedents which were established for the limited nuclear test ban agreement in 1963, the three governments will soon agree on the date upon which each will deposit its instrument of ratification with the other two, as prescribed in the treaty, thereby bringing it into force. Once this has happened other countries will be able to deposit their own instruments of ratification with any or all of the three depositary nations, and thus bring the treaty into effect for themselves.

• (2:40 p.m.)

Canada, as a member of the 28 state United Nations outer space committee, played an active part in the negotiations which culminated in the adoption of the text of the treaty. Since Canada was one of the first countries to sign the treaty, on January 27, 1967, it would serve to emphasize the importance which we attach to it if Canada were also to be among the first countries to ratify it.

This treaty, three copies of which I am now tabling in English and in French, is intended to ensure that outer space, the moon and other celestial bodies will be explored and used only for peaceful purposes and that there can be no national appropriation of such bodies. Of particular significance in this respect are those provisions which state that parties to the treaty undertake not to place in orbit around the earth any body carrying nuclear weapons or any other weapons of mass destruction, instal such weapons in celestial bodies or station such weapons in outer space. The establishment of military bases, installations and fortifications, the testing of any type of weapons and the conduct of military manoeuvres on celestial bodies are also forbidden. These terms incorporate the main ideas expressed in the 1963 United Nations resolution on outer space and represent a significant step forward in the achievement of multilateral arms control arrangements.

The treaty emphasizes freedom of scientific investigation on celestial bodies and in outer space. It also stresses co-operation among states, both in avoiding the contamination of outer space and in the dissemination of information on conditions which might cause harm to the health or affect the safety of astronauts. In order further to promote such international co-operation, states party to the treaty are to consider, on the basis of equality, requests from other parties to build tracking facilities on their territory for observing the flight of space objects which the requesting nation has launched. The treaty stipulates that if the request is considered favourably all the necessary terms and conditions are to be arranged by negotiations. Should these terms and conditions prove unacceptable to the host nations, however,

there is no obligation to grant the facilities requested.

In conclusion, I should also point out that the treaty does not, by its terms, require any legislative action on the part of those countries which become parties to it. It is, rather, a significant forward step in the codification and formalization of principles of international law, many of which were earlier set out in the 1963 United Nations resolution on outer space. It is because of this country's active role in the space field and in the international legal sphere, and because of the importance of the treaty for the development of the rule of law in outer space, that it would be particularly appropriate for Canada, by ratification, to be among the first countries that formally accept the principles which the treaty enshrines.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, this is a forward step internationally. I recall, back in January 1958 I believe it was, speaking to the Canadian Bar Association on the subject of the need for an international control agreement in respect of outer space. The intervening years have not seen much progress in this direction. However, this forward step is beclouded by the fact that within the last few days communist China has been able to explode a nuclear bomb. Communist China is not a member of this organization, being outside the pale internationally. This underlines the necessity of controlling outer space against its potential use for war purposes; this is emphasized by what has taken place. It also underlines the need to ensure that communist China shall be in a position in which it will be subject to the control which civilized men and women everywhere desire over this powerful deterrent, having both hope and fear for mankind in the possibility of improper use, or use for warlike purposes.

Mr. Speaker, this treaty for the control of Mr. Speaker, this treaty for the control of armaments in outer space is a great forward step for the human race. I am very glad Canada is to be one of the first nations to attach its signature to it. However, the fact still remains that the republic of mainland China is not only not a signatory of the non-proliferation treaty, but also not likely to be a signatory to this treaty.

Surely this ought to point out the need for Canada along with other peace loving countries to use all the influence it can to bring mainland China into the community of nations, and to attempt to seat her in the United Nations so she can become a part of the world community and be persuaded of the necessity, first of signing the non-proliferation treaty and also the treaty in respect of the control of arms in outer space. I think the governments concerned are to be congratulated in that we have taken the first step toward reducing the possibility of a conflict in outer space, and I hope they will now apply themselves with equal diligence to get peace on earth.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, the statement the hon. Minister of National Defence (Mr. Hellyer) has just made on the ratification of an outer space treaty truly proves that men are spurred on by science. I trust the ratification of this treaty will be conducive to better results with regard to the control of nuclear arms on earth. I am proud and I think we should all be proud, of the part Canada wants to play in such control.

Although the minister smiled repeatedly during his statement, we have every reason to consider the matter as most serious, since a power on this earth—that is on the planet earth—has already started drainage works on the moon, even though it is said there is no moisture up there. The fact that the countries plan to solve space problems is a serious factor and Canada, in being one of the first to ratify the treaty, prove its interest in world affairs and its willingness to move ahead.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, on behalf of the Social Credit party I join with those who have already expressed their commendation of the government on the fact that Canada has been one of the first to sign this international agreement for the control of nuclear armaments in outer space, including celestial bodies. We can only hope that this is the beginning of a more realistic approach to control in the over-all area of nuclear arms, and likewise to the lack of control we observed in the Middle East in recent weeks, which led to the conflagration there. We are gratified, along with other members of the house, that this small measure of progress has been made and that Canada has been able to take her share in this regard.

[*Translation*]

Mr. Speaker: Does the house give leave to the hon. minister to table the documents to which he referred?

[*English*]

Some hon. Members: Agreed.

Mr. Douglas: Mr. Speaker, before Your Honour goes on with the next item of business perhaps the house would agree to having the treaty just referred to by the Minister of National Defence printed in *Votes and Proceedings*. This would be very useful to hon. members and other individuals who receive copies of *Votes and Proceedings*.

Mr. Hellyer: That is quite agreeable, Mr. Speaker, if that is the will of the house.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

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

HOUSING, URBAN DEVELOPMENT AND PUBLIC WORKS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Rosaire Gendron (Rivière-du-Loup-Témiscouata) moved:

That the second report of the standing committee on housing, urban development and public works, presented to the house on Thursday, June 15, 1967, be concurred in.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

[*Translation*]

Mr. Grégoire: On division.

[*English*]

Mr. Churchill: On division.

Motion agreed to.

• (2:50 p.m.)

UNITED NATIONS

SPEECH OF PREMIER KOSYGIN OF THE U.S.S.R. BEFORE GENERAL ASSEMBLY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, Premier Kosygin of the U.S.S.R. stated in the course of his speech before the general assembly of the United Nations that his country condemns imperialism and is opposed to anything in the nature of colonialism; he demanded the right of self-determination for nations all over the world. Will the Prime Minister consider having the Secretary of State for External Affairs, when he speaks at the United Nations tomorrow call upon the U.S.S.R., in the interests of world peace, to carry out those principles and make available the right of self-determination by untrammelled vote to the peoples of Ukraine, Latvia, Estonia, Lithuania and the other countries that today are under the iron heel of communism?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be very glad indeed to discuss this matter with the Secretary of State for External Affairs who is speaking on Thursday morning in the debate that is now going on in New York. This will give him ample time to consider the matter.

Mr. Starr: If he says this, at least he will be saying something worth while.

CAPE BRETON DEVELOPMENT CORPORATION

UNION REQUEST THAT MCBEAN MINE BE INCLUDED IN LEGISLATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the right hon. Prime Minister whether he has received a telegram from the officers of district 26 of the United Mine Workers in Glace Bay regarding Bill C-135 which is now before the committee of the whole, in which they contend that the Prime Minister's statement of December 29, 1966, committed the federal government to acquiring and operating all the mines owned by Dominion Steel and Coal Company, and contending also that this includes the McBean mine which is operated by Acadia, a subsidiary of Dominion Steel and Coal Company. I ask the Prime Minister whether any consideration has been given to including the McBean mine in the legislation, as requested by local 26 of the United Mine Workers.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as I received the telegram only at 2.15 this afternoon I have not yet had much time to consider it. But I will consider it at once.

Mr. Douglas: A supplementary question, Mr. Speaker. I would ask the Prime Minister whether he would be agreeable to allowing Bill C-135 to stay in committee of the whole until such time as either he or some of his colleagues in the cabinet could meet with the mine workers to discuss this question of including the McBean mine in the bill.

Mr. Pearson: Mr. Speaker, this bill will be in committee of the whole until I have had a

chance to examine the telegram and, I hope, reply to it.

Mr. Donald MacInnis (Cape Breton South): A supplementary question, Mr. Speaker, following the question just put by the leader of the New Democratic party. My question is based on the urgency of passing this legislation. If the government considers the legislation so urgent that they cannot wait on this question, why has the Senate adjourned?

[*Later:*]

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources which is further to the question that was asked of the Prime Minister by the hon. member for Burnaby-Coquitlam. I wonder whether the minister, as minister responsible, and as minister who is piloting Bill No. C-135 through the house, will give consideration to this request made by officers of the United Mine Workers of America, district 26, to hold a meeting of federal and provincial government officials and officers of the union to discuss the possibility of including in the bill the McBean mine?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I think if I were to quote what I said yesterday in the house on that subject, it would certainly lead one to the conclusion that we intend to take a very generous attitude and deal humanely with the McBean mine without including it in the legislation. We cannot do that because the legislation is concerned with a situation in Cape Breton which is of national interest and concern, not one outside of Cape Breton.

Mr. MacEwan: Would the minister answer the question and say whether he is agreeable to holding the meeting which has been suggested by the U.M.W. district 26 officers?

Mr. Pepin: I think the message is quite clear, Mr. Speaker. The union would like us to include McBean in the legislation. I pointed out again yesterday the difficulties of doing this. If we start making exceptions for other mines in Nova Scotia, there is no doubt that the federal government will forever and ever be in the process of closing mines in Canada, and I do not think that this is desirable.

Mr. Donald MacInnis (Cape Breton South): A supplementary question, Mr. Speaker. What exception is involved in the question of the McBean mine, which was included in the policy statement which was supposed to have been embraced by this legislation?

[Mr. Pearson.]

Mr. Pepin: Mr. Speaker, the same statement referred very clearly to the situation in "Cape Breton".

Mr. Speaker: Order, please.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. In view of the fact that the statement of the Prime Minister on December 29 last committed the federal government to acquire, reorganize and manage the coal mining interests of Dominion Steel and Coal Corporation, may I ask the Minister of Energy, Mines and Resources whether this would not include the McBean mine to which reference has been made?

Mr. Speaker: Order. I am sure that all hon. members will recognize that we are to some extent reviving in the house a debate which is currently going on in committee of the whole. Perhaps we should proceed no further with this question.

Mr. MacInnis (Cape Breton South): A related question to the minister of mines, Mr. Speaker. I wonder whether he would correct the impression left on national T.V. last night that the Dominion Coal Company collieries are up for grabs for $5½ million?

Mr. Speaker: Order. I think that this question should be put to the minister when we return to a consideration of the bill.

[*Translation*]

CANADIAN CENTENNIAL

QUEBEC—ADDITIONAL SUBSIDIES FOR PROJECTS

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to ask the Secretary of State whether an agreement was concluded recently between the federal government and the Quebec government concerning additional grants for the implementation of centennial projects?

Hon. Judy V. LaMarsh (Secretary of State): No, Mr. Speaker.

[*English*]

NATURAL GAS

FURTHER INQUIRY AS TO CONSTRUCTION OF NEW TRANS-CANADA LINE

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 Energy, Mines and Resources. Now that the federal power commission in the United States has approved the Trans-Canada Pipe Lines applications, could the minister advise the house whether or not Trans-Canada will proceed to the construction of this line immediately or are there some other requirements which must be met before construction can begin so that there will be additional supplies of gas in Ontario and Quebec for the coming winter?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I am indeed pleased to confirm to the hon. member and to the house that the federal power commission, in a decision issued today, has approved the Great Lakes project and consequently rejected the alternative projects which were under consideration.

While we have not yet seen the text of the decision, we understand that the conditions attached to it are normal, and we are particularly gratified to know that there was a unanimous decision with respect to the beginning of the construction. I would not be surprised if Trans-Canada Pipe Lines and the Great Lakes company started their work this afternoon.

Mr. M. W. Martin (Timmins): I have a supplementary question, Mr. Speaker. In view of the wording of the announcement made this morning would the minister consider that this decision was made in the interests of developing Canada, or with a view to making it a pool in reserve for the United States?

Mr. Speaker: The question is argumentative.

AGRICULTURE

CONDITIONAL REFUSAL BY CHARTERED BANKS TO ISSUE FARM LOANS

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Minister of Finance but in his absence may I direct it to the Prime Minister. Is he aware that the Royal Bank of Canada and the Bank of Montreal are refusing farm improvement loans to farmers unless they can transact all their business with those particular banks?

Inquiries of the Ministry

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, I should like to take this question as notice.

TELEVISION

NAPANEE, ONT.—REQUEST FOR APPROVAL OF CABLE FACILITIES

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, my question is directed to the Minister of Transport and I have given him notice of it. Has the minister received applications from persons in the town of Napanee and recommendations from the mayor of that town requesting departmental approval of cable television facilities and services within the corporation?

Mr. Speaker: I would suggest to the hon. member that his question should be placed on the order paper.

CANADIAN CENTENNIAL

ISSUE OF MEDALLIONS TO SCHOOL CHILDREN

On the orders of the day:

Mr. R. D. McLelland (Rosetown-Biggar): Mr. Speaker, I have a question for the Secretary of State. Can she advise this house and the many school children throughout the nation that, if their schools were not issued a sufficient number of centennial medallions for their total enrolment, arrangements will be made to see that no school students will be deprived of one of these medallions because of an error made by those who originally placed the order?

Hon. Judy V. LaMarsh (Secretary of State): Records show that 6.5 million of them were ordered. They have been sent to the provincial departments of education which have been responsible for the allocation of the medallions to individual schools. If any school is short they should simply advise the provincial department of education, which will supphy them immediately, and if not we will be happy to see they get a sufficient number.

REQUEST THAT KOOTENAY RUSSIAN-CANADIAN CHOIR PERFORM IN OTTAWA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the gallant Secretary of State. This is a matter of national significance, as it provides for the

infusion of Kootenay culture into our national capital.

My question is as follows: In view of the fact that arrangements have been made for the Kootenay Russian-Canadian Choir to sing at Expo, and in order that residents of and visitors to the national capital will also have an opportunity to hear this dazzling performance, would the minister consider recommending to the centennial commission that they invite the Kootenay Russian-Canadian Choir to give their centennial concert at an appropriate time on parliament hill?

Mr. Speaker: This appears to be a very constructive and valid suggestion, but I would not think it should be asked at this time.

PENSIONS

BLIND PERSONS—REQUEST FOR REMOVAL OF MEANS TEST

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, has the Prime Minister received representations from the Canadian Council of the Blind, not only nationally but provincially, asking for the removal of the means test in respect of blind pensioners, and would he not give consideration to the removal of this unfair test which discriminates against one portion of our people to the degree that it does?

Right Hon. L. B. Pearson (Prime Minister): I cannot recall receiving such representations, although I may have in the past few weeks. I will look into the matter at once.

UNITED NATIONS

CYPRUS—CONTINUATION OF PEACE KEEPING OPERATION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I should like to direct a question to the right hon. Prime Minister. In view of the fact that the United Nations security council voted yesterday to extend the peace keeping action in Cyprus for another period of time, I wonder whether the Prime Minister would assure the house that Canada is not committing itself to paying the cost of Canada's contribution, which is the major part of the peace keeping effort on Cyprus, for an indefinite period of time?

Right Hon. L. B. Pearson (Prime Minister): I will be very glad to give the assurance that we are not committing ourselves to an indefinite period of time.

[Mr. Herridge.]

Mr. Thompson: I have a supplementary question, Mr. Speaker. First of all I should like to ask the Prime Minister whether or not any assurance has been given that there will not be a repetition of what happened in Cairo when the United Nations took unilateral action in withdrawing the Canadian peace keeping force.

Mr. Pearson: Yes, Mr. Speaker, we have received that assurance from the secretary general. Indeed, if we had not, we would have found it very difficult, if not impossible, to vote for the resolution yesterday. We have been assured by the secretary general that if a situation arose where the government of Cyprus asked the secretary general for the withdrawal of the United Nations force, he would submit that matter to the security council.

The situation is not the same as that which existed with regard to the United Nations emergency force in Palestine, inasmuch as the force in Cyprus is there under a security council resolution, and the security council would be asked to consider whether or not that force should be withdrawn.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question to the Prime Minister. In view of the fact that the Middle East crisis has shown that buying time is of value only if some use is made of that time, is Canada pressing the security council to promote negotiations between the Greek and Turkish Cypriots with a view to securing a settlement which will eventually make possible the withdrawal of the United Nations force?

Mr. Pearson: Yes, Mr. Speaker, we are doing that. We have made it quite clear to our colleagues concerned that the purpose of the force in Cyprus is to help keep the peace while political negotiations are going on. If these negotiations are postponed indefinitely, then the reason for the force being there indefinitely has been eliminated.

Mr. Douglas: May I ask the Prime Minister who is mainly responsible for conducting these negotiations? Is it the officers of the United Nations, or has some committee or sub-committee been given the responsibility of bringing the parties together and seeking to work out a settlement?

Mr. Pearson: This has been discussed by the governments who have contributed to the United Nations force on Cyprus, and it has

been discussed by the United Nations officials as well.

Hon. Michael Starr (Ontario): A further supplementary question to the Prime Minister. In view of the fact that the United Nations emergency force has been in Cyprus now for practically four years, can the prime minister say whether the reason the force is being kept in Cyprus is the same as the original reason which sent the United Nations force to the island? If not, what is the reason?

Mr. Pearson: Mr. Speaker, I think the original reason still exists, namely that the force is maintaining stability on the island between the two conflicting parties. However, I do agree, as I have just said, that stability cannot be maintained indefinitely by these means, and that there must soon be a political settlement as a result of which the two elements on Cyprus will co-operate in governing Cyprus.

INCOME TAX

ALLEGED DELAY IN REFUNDING OVERPAYMENTS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I address my question to the Minister of National Revenue. In view of the complaints that I have received—and I am sure many other hon. members have similarly received complaints—concerning the delay in the government refunding overpayments of income tax, would the minister advise the house whether everything is being done to expedite the refunding of these overpayments?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, I should like to inform my hon. friend that we are well ahead of last year in processing income tax returns. To May 29, which is the last information I have in my mind, we had processed something like 4.7 million returns, compared with 4.2 million returns by the same time last year. I think at this point we are getting close to the end of the processing of returns, but I have not the very latest figure before me.

HOUSING

SUDBURY, ONT.—LOANS FOR RENTAL UNIT CONSTRUCTION

On the orders of the day:

Mr. Bud Germa (Sudbury): Mr. Speaker, I should like to address my question to the Minister of Labour. In view of the answer the minister gave me yesterday, may I ask him whether he has checked his correspondence to see if he received the letter to which I referred yesterday, written to him on June 14 by the deputy city clerk of Sudbury, a copy of which I sent to his office this morning? If so, would he now answer the question I asked yesterday?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I received a copy of the letter from the hon. member this morning. On inquiry I find that the letter was sent by the deputy clerk of the city of Sudbury to the Central Mortgage and Housing Corporation office in Sudbury, and mailed on to me here, and the clerk was so advised. I received it in the second mail delivery this morning, I believe, after I had received the copy from the hon. member.

Dealing with the specific question, Mr. Speaker, on June 1 I announced that arrangements had been made for the building of 400 rental housing units in Sudbury this year in addition to the 400 already planned. These 400 additional rental units were being built in co-operation with the Ontario Housing Corporation, Falconbridge Nickel Mining and the International Nickel Company. The rental housing constructed by Ontario Housing Corporation will of course, be housing suitable for low income families; that is the purpose of that kind of housing. The funds provided by the mining companies and Central Mortgage and Housing will provide national housing loans for the construction of 300 rental units. These will be sponsored by private investors. Both the owners of the proposed rental projects and Central Mortgage and Housing Corporation, however, will be anxious to ensure that the rent levels achieved for family accommodation in these projects will be suitable for the additional personnel required by the mining companies.

MR. JUSTICE LANDREVILLE

FURTHER REQUEST FOR STATEMENT ON POSSIBLE PAYMENT OF PENSION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Can the Minister of Justice now inform the house as to whether Mr. Landreville, formerly a justice of the supreme court of Ontario, has filed with his department a certificate of ill health so as to qualify for a $18,666 pension? If he has not, will the minister now give an assurance to

the house that in all the circumstances this bountiful harvest will not be reaped?

Hon. P.-E. Trudeau (Minister of Justice): I do not know of any application by Mr. Landreville to the department that a pension be granted on the grounds of ill health. The answer to the second part of the question is, no, Mr. Speaker.

FISHERIES

NOVA SCOTIA—REQUEST FOR EXTENSION OF LOBSTER FISHING SEASON

On the orders of the day:

Mr. David MacDonald (Prince): My question is for the Minister of Fisheries. In his absence, and in the absence of his parliamentary secretary perhaps I should direct it to the Prime Minister who might give notice of it to his colleague. On June 5 I asked the minister whether in view of the late start of the fishing season in district 7B he would consider authorizing an extended season—a short extension. In his reply the minister said an announcement would be made at least ten days before the normal closing of the season. The season has now ten days to go, and many fishermen on the east coast are anxious to know whether they will be given an extension of a week or so.

Right Hon. L. B. Pearson (Prime Minister): I understand the importance of this question. I will take it up with the minister later today.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO APPOINTMENT OF SENIOR OFFICERS

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): My question is for the Prime Minister. Does the right hon. gentleman expect to make the appointment of senior officers of the Canadian Broadcasting Corporation to positions now vacant before parliament recesses—that is, around June 30?

Mr. Knowles: You hope.

Right Hon. L. B. Pearson (Prime Minister): As far as I know there is only one vacancy within the C.B.C. and that is the office of executive vice president.

[Mr. Diefenbaker.]

TRANSPORTATION

MEETINGS IN WESTERN CANADA OF CONFERENCE ON ABANDONMENT APPLICATIONS

On the orders of the day:

Mr. Ed. Schreyer (Springfield): I have a question for the Minister of Transport. Can he state without equivocation whether he has made representations, or a recommendation, to the Board of Transport Commissioners asking that any general conference on branch line abandonment which the board might convene should be held in western Canada? The minister did not reply to this question yesterday.

Hon. J. W. Pickersgill (Minister of Transport): I can reply without equivocation by saying that since the Board of Transport Commissioners is a court, I have made no such representations. However, the board has advised me, as I think is proper, that they are giving consideration to requests which came from the government of Saskatchewan, from several members of this house and from a number of other interested parties, that the conference be held in western Canada.

Hon. W. G. Dinsdale (Brandon-Souris): There was to have been a conference held in Brandon on June 22—

Mr. Pickersgill: A hearing.

Mr. Dinsdale: A hearing, yes. I can assure the minister that the citizens of Brandon would be very happy to have the conference there.

Mr. Speaker: The hon. member is giving assurances; he is not asking a question.

MARITIME PROVINCES—INQUIRY AS TO LEGISLATION

On the orders of the day:

Mr. Robert McCleave (Halifax): This question, too, is directed to the Minister of Transport. For the guidance of those who may wish to prepare representations, can the minister indicate on motions, some time before July 1, whether the Atlantic transportation studies are likely to be dealt with by way of legislation in the fall?

Hon. J. W. Pickersgill (Minister of Transport): I do not think I could possibly do that, sir.

[*Translation*]

EXTERNAL AFFAIRS

BOMBING OF YUGOSLAV EMBASSIES

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to ask the Solicitor General whether he has any information to communicate about the bombings at the Yugoslav embassy in Ottawa and in Toronto?

Mr. Speaker: The hon. member will agree that this is not a matter of urgency, and I wonder whether he should not place it on the order paper.

[*English*]

POST OFFICE DEPARTMENT

REQUEST FOR INCREASED RATE ON SECOND CLASS MAIL

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I should like to ask the Postmaster General whether before taking steps to increase the postal rates for the mailing of books by Canadian libraries he would consider increasing the rate on second class mail, which at present accounts for a substantial deficit.

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

INDIAN AFFAIRS

INTRODUCTION OF LEGISLATION ON CLAIMS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to ask the Minister of Indian Affairs and Northern Development whether he will be in a position to indicate to the house some time prior to any recess the intention of the government with respect to the introduction of legislation concerning Indian claims.

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): I cannot say more than I have said to the house on numerous occasions. I told the Indians of British Columbia that I would give them a certain amount of time to sit down with me to discuss the British Columbia land question. I have told them we cannot wait forever. I will make further inquiries of their lawyer as to the present position, and we may possibly be able to make a statement soon with respect to the introduction of the other legislation.

Inquiries of the Ministry

FINANCE

FURTHER INQUIRY AS TO DISTRIBUTION OF 1967 COINS

On the orders of the day:

Mr. D. V. Pugh (Okanagan Boundary): May I direct a question to the Minister of National Revenue in his capacity as acting Minister of Finance? A week ago yesterday I brought up the question of the poor distribution of the new centennial coins throughout Canada; in the west there is a complete lack of them, whereas in the east they seem to be in evidence, even if they are not plentiful. I wonder whether the minister has had time to look into this matter. He said at the time that distribution had not been good. There are now only ten days before July 1.

Hon. E. J. Benson (Acting Minister of Finance): I will bring this matter again to the attention of the Minister of Finance and try to have him answer the question at the first opportunity.

AIRPORTS

WINNIPEG, MAN.—ACKNOWLEDGEMENT OF ANNOUNCEMENT RESPECTING IMPROVEMENTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I be permitted to thank the Minister of Transport for his courtesy in sending me a copy of his announcement of today regarding improvements at the Winnipeg international airport? This is a welcome answer to my question of yesterday.

Hon. J. W. Pickersgill (Minister of Transport): I thank the hon. gentleman for that comment.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

DEPARTMENT OF ENERGY, MINES AND RESOURCES

1. Departmental administration including the administration of the Explosives Act, and Canada's fee for membership in the Pan-American Institute of Geography and History, $4,315,000.

The Chairman: Order. House again in committee of supply. Estimates of the Department of Energy, Mines and Resources for the fiscal year ending March 31, 1968. Vote No. 1. This vote will be found on page 78 of the blue book and the details appear on page 82.

Mr. Peters: We have been watching with interest for some time the machinations of Canada's oil and gas policy as it affects Trans-Canada Pipe Lines in particular. We are certainly not very pleased with the decision which came out of Washington through the federal power commission approving without strings the application of Great Lakes Power to transmit our gas through the United States.

It is important to note in this case the development of events over which we in Canada have no control but which in the long run may have an effect contrary to Canadian interests. I have been following these developments carefully. I do not intend to beat the subject to death, since the decision has now been made, but I am surprised at the position this government has chosen to take up. The Canadian people expect their government to act in Canada's interests. They expect we should not be a bad neighbour to the United States but that along with that we should think first and foremost of ourselves. The original statement made by the Prime Minister when this matter was first discussed early in October, 1966, was a good one, but the decisions that have been taken since have vacillated from bad to good and back to bad again.

• (3:20 p.m.)

I am particularly surprised that the minister has taken this course. One reason for my surprise is that he is a young, very capable and aggressive minister. He is a French Canadian, and in my opinion French Canadians have been more nationalistic than any other Canadians. As a matter of fact many of us did not really think about being Canadians until French Canadians raised the question of their brand of Canadianism being different from ours, thereby forcing us to examine what nationalism means in other parts of Canada.

Not many years ago the minister was going around saying that everybody in the province of Quebec should be a Quebec nationalist and that everybody employed by the national government should speak French. He advocated that we be nationalistic in a narrow sense. But all of a sudden the minister has adopted another position which eventually he will rue.

At the end of October, 1966, the minister went to the United States where he addressed the Independent Petroleum Association of America. I would like to quote from his address because in years to come people who look back on the decision taken now may find the background to it in the minister's address. On that occasion he said:

[The Chairman.]

I read with great interest the objective of your association as it appears in summary form in the 1966 directory.

"The objective of the association, with full recognition of the interests of the consuming public and the general welfare and security of the nation, shall be to conduct research studies on such matters as costs, supply and demand, foreign trade, productive capacity, and secondary recovery; to provide information on economic trends and national policies affecting oil and gas production; and to advance the welfare of the domestic petroleum industry in the United States, to the end that the nation may be assured of adequate oil and gas supplies for our expanding economy and national security."

I want to draw particular attention to the next sentence in the minister's address, having in mind that this organization was established to look after the interests of the United States regarding oil. The minister went on to say:

I am tempted to suggest that with a simple addition of "and Canada" to the words "United States", we would be all set with a good bipartite institution!

Then he went on to say:

However, we do not have to await such a development in order to allow things Canadian to receive full and sympathetic consideration with the I.P.A.A.

It is interesting to note that the releases from Washington today by the federal power commission have absolutely nothing to do with whether or not the Great Lakes project is a good project but simply with whether it is in the interests of the United States, particularly the national security of the United States. One of the press releases says that the commission's decision also touched on a significant point in respect of future Canadian natural gas and crude oil exports to the United States. It did so in referring to United States national security and the importance of safe reserves of petroleum.

In other words, it does not matter about Canada. All that matters is whether the national security of the United States is protected because they got the hell scared out of them in the Middle East during the last few weeks. Now they have decided that their national interest overrides any consideration that the federal power commission previously had been discussing. In this connection it is interesting to note that last year the minister said:

I am tempted to suggest that with a simple addition of "and Canada" to the words "United States", we would be all set with a good bipartite institution!

If that is not continentalism a la Liberal party philosophy then I am surprised.

Mr. Pepin: Is the implication of what my hon. friend is saying that we will always, systematically and unavoidably, have opposition between the United States and Canada? Are there not times when the interests of both countries could run along the same lines?

Mr. Peters: I think in the main they do, and I think they can. I am not disagreeing with that statement, but I point out that in his address last October he quoted the objective of the Independent Petroleum Association which was established to protect American markets and national security in that country. To that objective the minister would add "and Canada," which carries the implication that we are not going to worry about Canadian national security and Canadian needs but are going to throw our reserves behind the United States which will then be in a much better position to protect its national interests, and I am sure the minister will agree they are not necessarily our interests.

Mr. Pepin: If I may make one comment, I promise never to try to be humorous from now on. I was speaking to the Independent Petroleum Association of America. This association is traditionally opposed to Canadian exports to the United States. I was trying to demonstrate that the purpose of their institution could also be the purpose of Canada, and the humorous implication was better received in Dallas than it seems to have been received in this chamber this afternoon.

Mr. Peters: The minister may be right. I have read the full text of his address, and he went on to say that Norman Chappell had been trying to work out an oil policy in such a way that it would be in the interests of both parties. My position is a very simple one, and this is why I am so violently critical of the decisions of the National Energy Board. Its decisions should be designed to cater to the needs of Canada and the foreseeable requirements of Canadian markets. The fact that we are in a very serious bind with respect to gas supplies this year is an indication that the National Energy Board either failed in its duty to protect our national interests by projecting far enough ahead the position that Canada should take or, worse than that, it has not had the authority or the power to influence to any extent the planning of Trans-Canada.

I have carefully read the position taken by Northern and Central in Ontario as set out by Mr. Bovey, president of that company. He has stated that we will be short 20 billion to 33 billion cubic feet of gas this year. I am sure the minister is aware of the fact that no matter what we do in Canada there would be some economic advantage in exporting gas to parts of the United States and in importing gas into Canada in other areas. I am sure he is also aware that the economics of our gas industry are interrelated between the United States and Canada.

• (3:30 p.m.)

In respect of Mr. Bovey wanting to go into the Montreal market, I spoke to him the other day and indicated that in my opinion he was as bad as the National Energy Board in his estimates because at the present time there is a 16-inch line I believe, between Ottawa and Montreal to supply that market. The market in Montreal is totally untapped. It can probably be estimated for a matter of two or three years by taking into consideration the market in Toronto and applying that figure to Montreal. In three years the market in Montreal can probably be as great as that in Toronto today. Therefore, to speak of a 30-inch line in Canada, as has been suggested by Trans-Canada, is unrealistic. It is also unrealistic for the National Energy Board to allow the company to consider a 30-inch line.

It is totally unrealistic to speak in these terms particularly when we are dealing with approximately 67 million cubic feet of gas and in five years, in order to make this project economic, will be exporting to the United States up to 500 million cubic feet of gas. Really we are bringing 200 million cubic feet of gas into Canada which is insignificant in respect of the needs of today when there is an immediate shortage of 20 billion to 33 billion cubic feet this year. If we are talking about going into the market in Montreal and the demand for the foreseeable future, we should be talking probably of a 60 or 70-inch line.

I asked Mr. Bovey why this had not been considered. He said that he had just recently returned from an international conference where the representatives of most of the countries had said that this was impractical. He said that they would not be able to handle this kind of a line and that most companies could not make it. I telephoned the Algoma Steel Corporation and was advised that they make plate up to 14 feet which would give something in the order of a 57 or 58-inch line. Such a line has not been built on the North

American continent to date but we in Canada can conceive of a foreseable need for it.

Mr. Bovey told me that at the international conference which he attended he was advised by the Russian representative that Russia is in the process of providing the facilities for a pipe line which will be 100 inches in diameter. A 100-inch pipe line would probably be 20 or 30 times the size of the largest pipe line we have in Canada at the present time. I would think it would be able to operate on low pressure and could be installed economically with a view to meeting the needs 20 years from now.

The minister may be unaware of some of the things which happen when a pipe line is built. There is a very great degree of disruption no matter where the pipe line goes so far as the people are concerned. I remember a farmer in my area who said that he did not care if they paid him a million dollars. He said he did not want it going anywhere near his barn because it might blow up. If the minister would like to know the facts, we stopped them building the pipe line on that particular farm. They had to move the Trans-Canada line over one mile in order to find another place to build the pipe line. This person was able to stop it because he had a D.V.A. loan and the government itself was interested in protecting him.

The government should be looking ahead five, ten or 15 years. Trans-Canada has no money. I do not think it has a very good opportunity to raise money. Its stock is not very high, its dividends are low and it is going to have difficulty raising money. If it is going to instal a major gas transmission line the government likely will have to help in the development. We did this in 1956. We put up the money for the northern section. It was very difficult country in which to build and we allowed the Trans-Canada a ten year period in which to operate line, take the profit out of it, and then buy it at its original cost. This is a fairly lucrative way of constructing a pipe line.

If the war in the Middle East had not happened I am sure the minister would have had to come to parliament and ask for assistance to construct part of this line in order to meet the needs of eastern Canada. I have no objection to his asking parliament for such assistance. I would think, however, that there are very few companies which are less deserving of receiving help than this company. They have played cat and mouse with the Canadian government and even worse with the Canadian people. But I think the Canadian government would have had to put up at least $200 million to put in the necessary loop in northwestern Ontario.

This is a company which is not respecting the monopoly we have given it. It is a monopoly which I do not believe it is the responsibility of the government to supervise but rather that of the agency we have established, the National Energy Board. The National Energy Board has totally failed in its responsibility in this and in other respects.

I do not know where the 100-inch pipeline to which Mr. Bovey referred is going to be or whether it is for gas or oil, but I presume if they are going to use 100-inch pipe it will be for a transmission line from their oil fields to the take-off point for their distribution line and that the line probably will not be utilized to capacity for some time. It seems odd that Trans-Canada is raising more money now to increase the capacity of a facility they finished less than ten years ago. It seems to me it is very poor engineering when you have long term debentures on a capital investment such as a pipe line that will not meet the supply requirements for the next 20 years to cover the period of the debentures.

I do not know whether the minister is happy about the fact that this matter now appears to have been settled. I have made inquiries of one of the interested parties and have asked whether the intention is to go through the court procedure. I understand that in the United States the court procedure has already been tested to some degree in this regard. Let me read a paragraph from the business and financial section of the *Globe and Mail* for May 25, 1967:

• (3:40 p.m.)

> Panhandle's application for renewed hearings of the Great Lakes scheme may well be rejected by the commission but such a ruling by the F.P.C. would almost certainly be cited by the company as one of its grounds for challenging the legality of any F.P.C. decision in favour of Great Lakes if Panhandle resolves to take it to the courts.

I understand other companies are interested in testing such a decision in the courts, and I wonder what position Trans-Canada would be in in respect of the work it might do if an injunction were obtained. I have no idea what the company intends to do in the next few weeks but if it does anything it will be in a ridiculous position should an injunction be granted. It might be in an even more ridiculous position that it would be if it waited four or five months to see what decision might be made.

This whole situation leaves Canada with very little protection. I am sure the minister is not so callous in his regard for Canadian interests as to allow a situation to continue as a result of which we must depend on the whims of the federal power commission or the United States courts. Everyone is agreed that gas is not going to be made available this year from this project, but I am interested in this line going through my area of northern Ontario in 1968 or 1969. The hon. member for Timmins said that he does not care whether the line is built along old highway number 11 or highway 17 through Sault Ste. Marie. We do not have a real preference in this regard, but the minister must consider the fact that organized townships in the farming area of northern Ontario depend on the pipe line for 50 per cent of their assessment revenue. This may not be of great concern to the department but it is of great concern to these townships and municipalities because they require this tax revenue to provide education and other necessary services. If this line is not constructed along highway 17 or highway 11 the loss in tax revenue will amount to hundreds of millions of dollars, and there will be a tremendous loss so far as construction employment opportunities are concerned.

I am not worried at all about the minister's position or whether the United States and Canada should pool their resources to meet the needs of this continent in the most economical way possible, but I think I would be a very poor citizen of the United States if I was not more concerned about the national economy of that country than whether or not the people of Iran have another slice of bread on their tables. The people of the United States seem to look at Canada in the same way they look at the Near East, as a reservoir of potential resources for their personal use and economic advantage.

It is not my concern that the National Energy Board or the government should decide how much of a reserve we must have in Canada, how much gas should be delivered to Canadian markets and how much exported. I was surprised at what the hon. member for Qu'Appelle said, and I usually have a very high respect for his opinions. In this regard he has been playing a very narrow and restricted game. In Sudbury he said he was the only one interested in having the line go through Sudbury. He has also said that his interest is in the economics of the routes through southern Ontario. He is interested in reducing the cost to that part of the province. Various members from Alberta have been very clear in their position. They say that we have a surplus of gas and should sell it. They apparently do not care where we sell it as long as we do. I am not sure that I would not have a similar view if I came from that part of the country and knew there was a surplus of this saleable commodity. I think I would also want to sell it. Apparently the Alberta members do not care a damn who gets the commodity.

Mr. Olson: Mr. Chairman, just to clarify what has been said, let me point out that the members from Alberta have been consistent in their position so far as gas is concerned in that Alberta should be considered first, then Canada and then the export markets. They have never said they do not give a damn who gets it.

Mr. Peters: I stand corrected. Perhaps that was my interpretation of what I heard. Apparently I am not in disagreement with the hon. member for Medicine Hat who says that Alberta's needs must be considered first. All of us here have a political responsibility in representing different ridings. Leaving aside my interest in the particular area of the country which I represent and leaving aside the regional economic interests of other hon. members, it seems to me that whenever Trans-Canada says that more gas must be exported to the United States market to make the proposition feasible it is expressing a pipe line interest and not necessarily a Canadian interest. Surely this is a public commodity which is in the hands of one private operator. I have sometimes felt that there should be more than one operator in this field. However, one must remember what has happened to our transportation system as a result of the operation of the Canadian National and Canadian Pacific railways.

I believe that the Department of Energy, Mines and Resources should make an assessment of our needs for the next 25 years and adopt a policy which will ensure that they will be met. Perhaps that department should put up the money to operate such a venture. Perhaps we should have a crown corporation to operate a pipe line company. If everybody is sold on the idea of another line, let us see that the money is raised and the line built so that all areas of the country can have the advantage of this commodity.

I do not think the Canadian people are going to be satisfied with the decision that has now been made by the federal power commission. That decision was made in the interests

of United States security because of the Middle East situation. I think we will eventually have to do what was suggested originally, build a line that will serve the needs of the Canadian people rather than primarily export needs. In other words, we must meet Canadian needs not only in the foreseeable future but for as long as it is feasible to project such needs. I have talked to a member of the house who probably has more experience in this regard than anybody sitting in the gallery. He says it is quite possible to project the potential of the wells and the potential of the fields. He says that this kind of projection can be made, and in my opinion it is the only kind of projection that will satisfy the Canadian public.

• (3:50 p.m.)

The Chairman: Order. I must advise the hon. member that his time has expired.

Mr. McLean (Charlotte): Mr. Chairman, there are two things I should like to bring to the attention of the minister. One is the pollution of the St. Croix river and basin. I know the minister is aware of this problem because I have received from his office copies of papers concerning the Saint John and St. Croix international river basin. The buck has been passed around for a good many years in respect of solving the pollution of this basin.

It has been possible to pass the buck around in this way because so many people are interested in the question. They include the International Joint Commission, the state of Maine, the federal government of the U.S.A., Calais, Maine, Milltown, Maine, Milltown, New Brunswick, St. Stephen, New Brunswick, the federal government of Canada, the province of New Brunswick, the fisheries department, and the Georgia Pacific Company.

Mr. Ricard: All aboard.

Mr. McLean (Charlotte): This basin is so polluted and the sludge is so thick on the banks of the river that if you paint a house white it is black or grey the next morning. This actually happens. It has been going on for years. The buck has been passed around not only in Canada but in the United States. I have before me a copy of a letter written by the water improvement commission of Maine which says:

> As you know the Maine Water Improvement Commission submitted a bill to the 1963 legislature which was intended to give it the necessary power to require pollution abatement on international boundary streams such as the St. Croix river and portions of the St. John river. This was, for some reason never explained to the Water Improvement Commission, labelled unconstitutional by the attorney general and withdrawn from committee.
>
> All of this left enforcement of any program strictly up to the federal agency, as the hearing commitee of the 1965 legislature to whom the bill was resubmitted gave it no consideration on the grounds that it would interfere with pending federal legislation.

There was no federal legislation passed in this respect, and the pollution goes on and on. Some companies manufacturing food products in St. Stephen even claim that the fumes from the river basin are affecting their products. Somebody must take the lead in straightening out this matter. I think the minister is the man to do this. He could take the lead in this respect and see that the basin is cleaned out. I have here a copy of a letter written by John S. Bates, chairman of the New Brunswick water authority, who says:

> The New Brunswick water authority looks on the accumulation of sludge banks between St. Stephen and Calais as a large-scale result of pollution by solids and solubles from Woodland—

That is the Georgia Pacific mill. I attended a meeting with the Georgia Pacific company and others at which this problem was discussed. They have done something about it but the money for what was done was in the main supplied by the federal government of the United States of America. However, the pollution continues. This was a great salmon stream at one time. The salmon come up a short way and die, so the fisheries department should be interested in the problem. They are interested in it, but somebody must take the lead. I hope the minister will look into the problem and do something about it.

There is another matter I should like to bring to the attention of the minister. He is minister of mines and must be interested in the gold mines of Canada. At one time gold was the metal that brought us in more money than any other metal. However, we are now paying the gold mines $15 an ounce when the price used to be $35 an ounce. We were paying the gold mines $35 an ounce in 1934 and now, because of the decrease in the purchasing power of the dollar, we are paying them $15 an ounce. The governor of the Bank of Canada has indicated that gold is not only a monetary measure but is a commodity. Can the minister point to any commodity in Canada which had such a price in 1934 and where the price is now down to less than half? I think this situation is ridiculous. Further, the taxpayers of Canada are paying subsidies to the gold mines to get the gold out

of the ground. Last year we paid subsidies of something like $2,500,000 to a syndicate of Americans.

The Americans cannot buy our centennial gold pieces; they cannot buy our gold at all. But they can come up here and take over our gold mines. They do this by taking over one mine, stopping the dividends, taking the treasury, buying another mine, and so on. At the present time they own about 18 gold mines in this country. To this syndicate the government paid subsidies which last year amounted to $2,500,000. What happened to the gold? After we paid the Americans $2,500,000 to get it out of the ground, we sold the gold to the United States government for $35 an ounce. It probably cost us $45 or $50 an ounce to get the gold out of the ground. In my opinion this is an extremely silly policy and the minister should look into it. If we were getting the right price for our gold, instead of receiving $140 million we should be receiving $500 million or $600 million a year.

There is gold from coast to coast in this country. All we need to do is to dig it out of the ground in order to get international liquidity. Liquidity is required now in international monetary affairs. I understand that nine out of the "big ten" want to raise the price of gold in order to obtain liquidity.

I read a book by Sir Roy Harrod, the British economist who was adviser to Lord Keynes when we signed the Bretton Woods agreement agreeing to pay only $35 an ounce forever to our gold mines. We signed this agreement. Sir Roy Harrod said in his book that the International Monetary Fund certainly had to be revised and reorganized and the only way to do it was to double the price of gold as a preliminary and increase the drawing rights of the members. I understand the United States agreed to increase the drawing rights but refused and still refuses to increase the price of gold. In my opinion to do so would be to their benefit and it would certainly be to the benefit of Canada.

I hope the minister will look into this problem. He is minister of mines and should be interested in gold as well as other metals. It was once our most valuable metal and could still be our most valuable metal if the price was right.

Mr. Hamilton: Mr. Chairman, I want to go back to the subject of the decision announced today by the federal power commission and raised in the house by the hon. member for Timmins and the hon. member for Timiskaming. My version of what happened at eleven o'clock this morning is quite different from the version of the two N.D.P. members. I believe this decision by the federal power commission of the United States is a great day for Canada. I want to state my reasons very clearly for saying this. It is a great day for Canada, it is a great day for northern Ontario, it is a great day for Quebec and it is a great day for the west. My only complaint about the decision announced today, June 20, 1967, is that it should have been reached a year ago. If it had not been for the cowardice of the present government it would have been reached last year.

• (4:00 p.m.)

Last year the Alberta Conservation Board agreed that they had surplus gas. The National Energy Board recommended the acceptance of the Great Lakes application to the government, but for some reason which we will never know for certain the government turned down that recommendation. When some of us opposed that decision and gave our reasons for our opposition to a decision which we understood to be a purely political one brought about on the basis of the N.D.P. opposition in northern Ontario, the government changed its mind after a couple of months and agreed to the application. This gave our economic foes in the United States a new breath of life and they renewed their objections to the application under due process of law before the federal power commission. As a result there has been a long delay this year which has cost the consumers of central Canada large sums of money, has hurt the producers in western Canada, and has given a temporary additional market in Canada to the United States pipe lines.

The other day I suggested to the minister something which I thought should have been done last year. I said to him that the United States government should have been asked to request their court of record, the federal power commission, to expedite the proceedings of this hearing. There are many precedents for such a request, and I think our country should have thrown its weight behind the Canadian company which was battling for a Canadian market. I put this on the record last fall and I repeat it today. Who was opposed to this application? The United States coal companies were opposed because in the application they saw a loss of Canadian markets for United States coal. Likewise the unions of the coal companies were opposed for the same reason. The oil companies of the United States were also opposed to it because they saw a

loss of markets in this area, and so were the gas pipe line companies in the United States. Several of the states in the United States were also opposed. All these groups were fighting on behalf of the United States economy. We cannot blame them for doing so, but when I listened in the house to Canadians joining the Americans to take away a Canadian market from Canadians I asked myself, who is the real Canadian?

The government does not have a leg to stand on. They wobbled, they twisted, but no one fought for Canadians. The essential fact of this proposal is that an economical looping of the pipe line will not only bring about the establishment of the shortest route in terms of capital cost but will also provide advantages because of the storage provisions in Ontario and in Michigan which would give us a high load factor and thus would reduce the wholesale price. Last fall I stated that by building the loop through the United States we would reduce the price for the industrial markets in Ontario and Quebec by approximately 15 per cent. For the first time gas prices in Ontario would be lower than they are across the border in the United States, and every person with half an ounce of brain knows what this means. It means that our cost of manufacturing would be lower than that of the United States, and when companies are planning future expansion of their business, whether it be in steel or any secondary industry, they naturally know where the costs are lower. Instead of building plants in Buffalo and Detroit they will go where the price is lower in Windsor, Hamilton or Toronto. This is the key fact.

The charge which has been made that we have lost control is nothing more than an innuedo because 50 per cent of the ownership belongs to the Canadian company and it is they who control it as long as they obey the laws laid down by the F.P.C. In the original application 90 per cent of the gas was to come from western to eastern Canada and only 10 per cent was to be dropped off in the towns along the way. So I have no choice but to say again in the house that the position of the N.D.P. has been harmful to every portion of Ontario and Quebec where natural gas is being used. It is the N.D.P. who have stood in the path of the development of the wealth of this country through the use of this great natural resource. In my eyes, and I hope in the eyes of all the people of Canada, they stand condemned for this selfish and outdated nationalistic approach.

[Mr. Hamilton.]

I am aware of their arguments and I know how much these northern townships depend on the construction of a pipe line in their area. I know from personal experience how the motel operators and the people who run hotels and restaurants depend on new construction in their area. I say now to the N.D.P. that not only will the people of Windsor, Toronto, London, Hamilton and Montreal get cheaper gas as a result of the decision announced today by the F.P.C. but so will all of northern Ontario. Furthermore, very shortly northern Ontario will get a second pipe line and all the benefits that will accrue from it. Their motels will be filled and their assessment will be raised. They will have the best of two worlds. We have saved the Canadian market for Canadian products. We have not raised artificial barriers to save that market but we have achieved our purpose in a positive and economic way.

I also said that northern Canada would benefit for another reason and that is that more gas will be available this coming winter as a result of the decision announced today. In the last couple of years several companies and mills in northern Ontario had been short of natural gas. Whether we like it or not, the premium markets are in the big cities. With permission for the looping now having been given, this coming summer we will be able to hook up our storage fields near Sarnia in Lambton county to the storage fields in Michigan to supply the Ontario market. In this way more gas can be made available to the northern towns, mills and companies this winter. This is a great day for northern Ontario which will get more gas this winter, and when the loop is completed next year the gas will be cheaper. I say this is true, modern Canadianism, not the artificial restrictive nationalism which should have died in our country 40 years ago.

I have put these thoughts on the record because I believe them to be vital to the whole concept I have, and which I hope many Canadians have, of building our nation. We want to build it on the basis of positive, non-restrictive techniques. We have the basic resources, we have the energy and we have the water with which we can process in Canada so much more cheaply than any other country in the world. We should realize that this is a heaven-sent situation and that at long last we are able to achieve what we want in an economic way. We do not want to impose any restrictions on the Americans; we just want to do things better and cheaper.

I know that the large American gas companies in Louisiana and Texas want the market in Ontario and Quebec. It is a good market for the future. But at least this once we have won a victory. Our Canadian gas is just as good as the gas from Louisiana. Without the need for any subsidy from the government or any artificial restrictions we are able to reduce the price of gas below the United States price through the use of the storage facilities in Lambton county in Ontario and in Michigan. We are able to do in a positive way what we have tried to do in the past by using restrictive techniques. This is a good day for Canada.

• (4:10 p.m.)

I agree with my hon. friend from Timiskaming that we as legislators should have been better informed about the sudden rise in the market in Ontario and Quebec two years ago. The crisis of the last 18 months should not have been allowed to develop. I hope that the words of the hon. member for Timiskaming will be listened to and that an effort will be made to make some projections. Whether they be optimistic, pessimistic or mean projections, let us make some projections so that we can assess whether the needs of the consumer will be met. It is true that we have chosen this company as the instrument of the Canadian people to move gas from western to eastern Canada. But in giving this company a charter we have a responsibility to see that they meet their commitments. I believe that they can do the job better and at cheaper cost than a crown corporation or any kind of government organization, but we do need advice from the National Energy Board in regard to future demand for gas.

I said, Mr. Chairman, that this was a great day for Quebec. Those of us who have travelled through the province of Quebec realize the desperate need in Canada's interest for a greater variety of industrial activity to improve the economic health of that province. One of the things which has been denied the areas outside Montreal is access to natural gas. With the price reduction which will arise from this loop I see the wholesale price in Montreal going down to the point where we can now consider building a line from Montreal through the southern townships to Quebec city and later perhaps along the north shore to Quebec city. This will give those 20 or 30 counties access to a clean, efficient fuel which is particularly suited to modern types of precision operated industry.

I know that a pipe line to Quebec city is going to run in the red for a few years and that under the old price structure which obtained it was impossible to build the line. But I hope that there is now a chance for the people living in the heavily populated rural areas between Montreal and Quebec city, both on the north shore and the south shore, to have the opportunity to benefit from the type of industry which will complement their agricultural activities. It will be a great day for Quebec if all of these things materialize, and I know they will.

I think I have said enough, Mr. Chairman, to make my position clear, but I still want to offer one or two words of advice to the minister. One of the important principles enshrined in the National Energy Board Act is the common carrier principle. In plain terms this means that all producers of gas have an equal right to pump their gas through a line and that all consumers have an equal right to buy their gas from the owners of that line. But it also means that price must vary with distance from the source, and this is extremely important in Canada. For example, if gas goes to the United States it is very important to realize that the common carrier principle of pricing the gas more cheaply closer to the source must be maintained.

I realize that the volume argument also comes into the picture. It is argued that if you take a large volume you should pay a lower price for it. However, I share with some of my friends in the N.D.P. this concern: If we want to build a better Canada, one of the ways we have to make certain that the national interest is protected is to see that the common carrier principle is maintained.

Second, Mr. Chairman, we have learned a lesson from the experience last year, and that is that Canada and the United States will increasingly have to work together to find a solution to our common energy needs. I think the principle should be that the consumer has the greatest right to the cheapest possible form of energy. Perhaps I should explain that first principle a little more. To make sure that the consumer is protected we should always supply gas at the most economical price. In other words, we do not just distribute it all around so as to maintain a supply in Canada or the United States. The most economic price and the shortest possible route is the end objective from the consumer point of view.

The second principle is that the Canadian interest must be protected too. I think that the Canadian interest can be maintained by realizing that under the terms of the National

Energy Board Act, which lays down various criteria which must be applied when a company is going to build or operate a pipe line, the National Energy Board can be used as a sort of bargaining agent both on behalf of companies and on behalf of provinces which own the gas. This concept has been put forward very ably by a member on the government benches, the hon. member for Coast-Capilano. I should like to see a public statement made by the minister in the form of a directive to the National Energy Board, in cases where a company is sending gas to the United States and is perhaps fighting for the big markets of North America, saying that in the bargaining the competitive price of other fuels in the areas in which the fuel is to be sold will be taken into consideration. In other words, it is not just a question of selling the maximum amount of gas possible; it is a matter of getting the maximum return for our resources.

Many of us, Mr. Chairman, have the suspicion that much of our resources which are owned by subsidiaries of United States companies return a very small emolument per unit sold, that the main profit on natural resources in Canada goes to the parent company in the United States which finally uses the product. Once again I compliment the hon. member for Coast-Capilano for bringing out evidence of this nature. I think this is the type of matter in which the National Energy Board should take an interest.

If I may go back to my first statement about this latter subject, we have learned the lesson in the last year that if we have to deal more and more with the United States there should be a meeting between the federal power commission and the National Energy Board, both in effect being courts of record, to lay down the terms of reference with regard to future across the border applications. I accept the right of every American to due process of law in United States courts. But I also want to protect the right of every Canadian to make certain that Canadian resources do not become the tool of a foreign court. Because of the mutual interest of the United States in having access, even at a higher price, to our resources in Canada, terms of reference laying down how applications shall be heard in future will prevent the kind of long delays that have been taking place.

If as a result of this meeting, Mr. Chairman, an understanding were reached on the principle that we are entitled to the maximum price that the market will allow for our products, the United States will have to accept that because the terms of bargaining are on our side. All of the reports and forecasts indicate the need for more energy as the years go by, and the National Energy Board is the agency that can protect us. However, the terms of the act of today would have to be enlarged.

In the meantime the situation requires a statement on the part of the responsible minister, speaking on behalf of the people of Canada, in the form of a directive to the National Energy Board. This was the technique which was used in connection with our national oil policy, and even though I am not going to speak today about that policy I would point out that this precedent could be applied to a natural gas policy. In this regard, Mr. Chairman, we sorely lack direction. Let the minister take all the time he requires to work out the terms of reference, but the United States should be told that we are giving our energy board this directive. Then the two energy bodies could work together to ensure that the right of Americans to due process of their law is not taken away from them, particularly in cases of border convenience, but that we in Canada should not be asked to continue to suffer the delays which have occurred during the last year.

• (4:20 p.m.)

Mr. Reid: Before the hon. gentleman resumes his seat I wonder whether I might ask him an unloaded question. Does he know of any other example of a Canadian company participating in transmitting a Canadian natural resource and "getting a piece of the action" in the United States instead of turning the middle-man operation over exclusively to the Americans as Trans-Canada is doing in this case with the Great Lakes Transmission Company?

Mr. Hamilton: I am sure there are many types of arrangements. This point is bound to arise increasingly in the relationship between the two countries not only in connection with gas but in other fields. I know it is happening in the mining field. Because the Americans have not been quick to develop some of their mining resources, Canadian companies are moving in and getting substantial control of operations in United States areas. I hope this process will continue. When I hear Americans complaining that Canadians are taking over their country, I will know it has been successful.

I am not an authority on the legal arrangements involved in the Great Lakes application. It is a difficult legal operation under United States law. A United States corporation has been set up. Ownership is equal but management rights are in the hands of the Canadian company. I do not think there is any danger of our losing control over that fuel because the United States does not dare cut off the gas supply passing through their country while we are sending such large supplies to them for use by industry in California. If the hon. member's question was intended to indicate concern over the degree of control, I have tried to answer it. But if he merely wished to ask me whether I knew of any other example, the answer is no, I do not.

Mr. Faulkner: Mr. Chairman, on Wednesday last I began to make some remarks with respect to the Nelson river project and how it affects Canadian industry, particularly the Canadian General Electric Company. I spoke of the opportunities which national resource development on this scale provides for our country. I should like to complete the remarks I was making on that day.

The point I was making when I was interrupted was that major projects such as the Nelson river project provide an opportunity for Canadian industry and, indeed, for foreign industry, to develop technology, to increase employment and to explore export potentials. I suggested it is imperative, when a decision is made as to who should undertake the work, that consideration go beyond the mere question of cost. Decisions of this character must be founded on a much broader basis than an inquiry as to which bid happens to be lowest.

We have a device which is used in this country as a measure of protection to ensure that Canadian content is taken into consideration when awarding such contracts. It is known as the 10 per cent formula and it may or may not be adequate. It seems to me that when making an assessment as to its adequacy this formula has to be examined in comparison with similar devices or formulae used by other countries. It would be a useful venture for the Department of Industry or the Department of Energy, Mines and Resources to examine the conditions faced by the Canadian General Electric Company, for example, in bidding for contracts in Sweden, France or the United Kingdom. With such a study we could discover exactly what form of protection exists in those countries for their own industries.

If we were to undertake such an investigation we might find that our 10 per cent formula affords much less protection to Canadian industry than do comparable formulae or devices used by other countries. It is important when we are considering developments of this magnitude, the Nelson river project, for example, in which Canadian industry is likely to be competing with British or Swedish industry, that Canadian industry on its own ground should be in a no less favourable competitive position than it is when competing for contracts in these other countries. If this is not the case it should be the case, and we should take measures to make sure that Canadian industry is not exposed at home to greater competition than are indigenous industries in other countries. Since the Nelson river project can have an important bearing on the development of Canadian technology, on employment and on export sales, it is important that we give this matter urgent attention.

The federal government has decided to invest a large sum of money in the Nelson river project. This investment takes the form of building the transmission line, together with its associated terminal equipment, to make it possible for the Manitoba Hydro-Electric Board to develop the resources of the Nelson river in northern Manitoba to supply the power requirements of Manitoba and Saskatchewan and to create an opportunity to export power to the United States.

Atomic Energy of Canada Limited has been appointed by the federal government to design and purchase the equipment for this major transmission system. It has selected a relatively new technique, high voltage direct current, as being the most economic and efficient means to bring this power south to the area of need.

All of the high voltage direct current systems built or being built to date use mercury arc valves as the main element in the terminals. New developments, however, in semiconductor materials, and their successful displacement of mercury arc valves in industrial applicants, suggest that they would bring the same benefits to this installation as they have to industrial users.

Canada is fortunate that this semi-conductor technology has progressed to the point where it can utilize this equipment on its first major high voltage direct current installation. It gives Canada the opportunity to lead the world in this field.

A prototype equipment has been built and proven. Canadian General Electric has anticipated this development by training people

in the special requirements of electric utility applications, and also in building and installing systems using this same basic technology. Through its role in the Nelson river transmission project, and by purchasing the necessary equipment in Canada, the federal government has a wonderful opportunity in my view to achieve a number of important goals. By using Canadian equipment it would help to create employment in Canada. It would support and expand Canadian manufacturing capability and, above all, establish its manufacturing industry in a strong technological leadership position. This technological ability is necessary not only to supply our future domestic requirements but also to create opportunities for export.

• (4:30 p.m.)

In the decision that has to be made, and will be made by the Atomic Energy Commission, it is important to remember that the Canadian General Electric Company's proposal will have a Canadian content many times that of any other manufacturer, whether domestic or foreign. The Canadian General Electric Company plans to build approximately 80 per cent of the equipment in Canada. It is estimated that placing the contract with this company would probably result in 700 man-years of employment in design, manufacture and installation of the equipment involved, and would in effect create a new industry of considerable size which in turn would provide a livelihood for a considerable number of people in the trades, professions and the service industries.

In a decision on this matter it is well to bear in mind that the company I have mentioned has already made a large investment in developing the necessary skills, research and development programs, and the building of prototypes to prove out the technology involved. Without a contract to supply the equipment and services required this investment would be lost. More important, the technology would not be further developed and the technical and manufacturing leadership would have to remain with foreign manufacturers who would, of course, continue to supply both Canadian and world-wide requirements for high voltage direct current transmission for years to come.

For these reasons, Mr. Chairman, my submission today is brief and absolutely straightforward. It seems to me in a project of this magnitude that Atomic Energy of Canada Limited and the government of Canada have a very important decision to make which should be based in the final analysis on a wider basis than simply the factors or criteria of cost. The ramifications of the decision will be important to many sections of our economy and many industries within our economy. This impact will be either negative or positive and I can only appeal through you, Mr. Chairman, to the minister and to A.E.C.L. that a decision be made on the wider basis I have suggested, and that above all the national interest will be considered.

[Mr. Faulkner.]

Mr. Patterson: Mr. Chairman, I wish to deal briefly this afternoon with one specific project referred to by the minister in his introductory statement on Wednesday, June 14, found at page 1521 of *Hansard*. Part of the sentence in question reads:

> —and we are negotiating with British Columbia a joint program for flood abatement in the lower Fraser valley.

I have indicated that my remarks are going to be brief but I hope no one is going to assume that because they are brief my concern is slight. I believe this is one of the most urgent problems that require attention in the Fraser valley because it affects the entire lower mainland of the province of British Columbia.

Although we in the lower Fraser valley hope that the immediate danger has passed for this year, the area annualy faces the danger of flood and disaster. In referring to natural catastrophes the explanation is often given that they are acts of God. Since it appears that we are being spared a repetition of flood conditions such as we had in 1948, in all fairness we ought to give credit to God who has to take the blame for many of the unfortunate situations that happen.

The problems we face in the lower Fraser valley are mainly occasioned by the sudden spring run-offs in the Fraser River watershed. Each year a careful assessment is made of the varying situations, the gauges on the river are watched very closely, predictions are made and warnings are issued, but the whole situation depends on the weather conditions prevailing at the period of the year when the run-offs take place.

This year in British Columbia we had a combination of conditions which made many people believe we would have a really serious flood situation. I remember speaking to the Minister of Indian Affairs and Northern Development on one occasion and he felt that everything was just ideal, if one can use that term, for a really serious flood to develop in the lower Fraser valley. As I say, it now

appears that that danger has receded. Nevertheless, as the situation developed emergency plans were made and machinery was put into operation to meet the possible danger.

In the absence of an adequate agreement between the federal and provincial governments, the provincial authorities authorized emergency work on portions of the diking systems along the Fraser valley. We hope that federal assistance will be forthcoming to assist in meeting the financial outlay that was involved.

Hon. members will recall that on various occasions questions have been asked on orders of the day with respect to the situation on the Fraser River and in the Fraser River valley. Those questions were posed by myself and by members of other parties who were just as concerned and as interested as I was. We had the assurance that the federal government was prepared to render every possible assistance should an emergency arise. We appreciated that, but the point I want to make this afternoon is that even though we may appreciate the emergency plans that were in preparation and in readiness, it is going to take something more to satisfy the municipal authorities and the people of the affected areas in British Columbia.

Every year there is a great fear of what might happen, the inconvenience, the loss, even loss of life that might happen should the Fraser River overflow its banks and flood the lower Fraser valley. I was advised by the Minister of Energy, Mines and Resources that discussions were taking place between the provincial and federal authorities with respect to a long-term plan to eliminate this flood hazard and danger. It was my understanding that a tentative agreement had been reached with respect to the strengthening of the dikes and that consideration was being given to the implementation of the recommendations of the Fraser River Board, which were tabled in September, 1963. I should like to refer briefly to those recommendations but first I should like to read a very brief paragraph from the introduction to the report. It reads as follows:

• (4:40 p.m.)

The present report, developed within the remaining restricted area of flood-control possibilities, has pointed up a number of recommendations which warrant early attention. With each year's delay in taking protective action, the next damaging flood is that much closer. Accordingly, it is emphasized that remedial measures should be undertaken as early as possible.

I wish to point out that this document is dated September, 1963. Of course, we are now approaching September of 1967. What disturbs the people of my constituency and other constituencies which are involved in this problem is that in spite of the potential dangers it seems that nothing is being done to implement the long-term recommendations of the Fraser River Board. It is true that some work is being done on the dikes in the lower Fraser valley, and we appreciate this. I have been given to understand that in this regard they have reached a relatively high degree of efficiency and effectiveness.

I am advised by those who I believe understand the situation much better than I do that the work being done in the lower Fraser valley will not meet the need. They say that the only thing which will meet the need, solve the problem and eliminate the flood danger is the construction of reservoirs in the upper reaches of the Fraser River. These reservoirs would control the flow and enable it to be released slowly in order that it could be carried away. In view of the fact that the recommendations suggest it is an urgent matter, in view of the fact that the authorities and others in the Fraser valley say it is an urgent matter and in view of the fact that we have been presenting these recommendations for some years now, I earnestly request the minister to do his utmost to get the whole proposal and program under way. I realize, of course, that it is not his responsibility alone. The provincial authorities also have a responsibility. What I say to the minister I say also to the provincial government of British Columbia, namely, I hope that action will be taken immediately to implement these recommendations which I have been given to understand offer the only means by which the flood danger in the Fraser valley can be eliminated.

The suggestion has been made that this will be an extremely expensive proposition. Let me say that the implementation of the recommendations, although costly, will not be as costly as the damage and loss which could be experienced if another serious flood should occur in the Fraser valley. Therefore, on behalf of the people of British Columbia and the lower mainland in particular I appeal to the minister again to assist in expediting this program. If he will do this, he will have the appreciation of all those who are concerned about this problem.

Mr. Cowan: Mr. Chairman, I wish to speak on the estimates of the Department of Energy, Mines and Resources only in respect of one particular facet, pollution of international waters. When the minister, whose sincerity I admire and who I beileve takes the deepest possible interest in the affairs of his department, introduced the estimates of the department on June 14, he made several references to water pollution as coming within the purview of the new Department of Energy, Mines and Resources. I have been looking at *Hansard* and at pages 1520 and 1521 on June 14 I find that the minister stated that Canada has been bountifully provided with water but that that does not mean that we have no problems. He said we have several of them, including pollution. Then the minister said:

> If the water level of the Great Lakes drops or if their waters become more polluted, Ontario is not the only province to suffer—

On page 1520 we find several references to water quality being within the control of his department. This is particularly true, in my opinion, when we are dealing with the Great Lakes. The minister referred to the new Canada Centre for Inland Waters at Burlington on Lake Ontario and the water pollution abatement program.

On more than one occasion, Mr. Chairman, I have spoken in this house about the illegal filling of Lake Ontario, usually I have done so on the estimates of the Department of Public Works. During the past year I have noted there have been reports in the press and on radio and television that the Minister of Energy, Mines and Resources has been issuing assurances that he is going to devote a great deal of attention to the question of pollution. Within the last several months I have seen a letter—I have no other authority than that—to the effect that the Department of Transport will be looking after the enforcement of the Navigable Waters Protection Act which has been under the Minister of Public Works for the past few years.

I know that members of the cabinet talk about wanting to have a bill passed by the house relating to the Navigable Waters Protection Act. I suppose it will be a piece of legislation which will give authority to the Minister of Transport. As a private member I am told nothing and have to look to the newspapers to find out what is going on. I rather gather that the Minister of Public Works is still the minister responsible for the enforcement of this act, but yet we are told that the Minister of Transport will look after it in the future. One only wonders when the change will take effect.

To my knowledge the federal government has never at any time taken a firm stand with regard to the illegal filling which goes on along the northern shore of Lake Ontario between the Humber River and Etobicoke Creek. I should like to congratulate the minister sincerely and heartily for the contribution he is making to the Canada Centre. I know the Ontario government is also contributing to this project. This new centre will be about 22 miles from the district I am speaking of on the north shore of Lake Ontario. This should be the first problem that the Canada Centre is asked to investigate by the able minister and his department. Only yesterday afternoon I was walking on some of this illegal fill. I protest particularly in respect of two pieces of fill, one known as the Millgate fill near the mouth of Etobicoke Creek and the other lying to the south of what is known as Humber House, or hotel, or tavern on Lakeshore Boulevard west.

In the Toronto area recently some of the editorial writers for the daily newspapers have made sport of the council of the borough of Etobicoke because the council passed a bylaw in which they referred to the fact that the southern boundary of the borough is the middle line of Lake Ontario. This is an incontrovertible fact. The newspapers have been making sport of the borough council because it passed a bylaw zoning as parklands, open space or green belt all that part of Lake Ontario between the natural shore and the southern boundary which is the centre line of Lake Ontario. I say to this house, Mr. Chairman, that the borough council of Etobicoke had to pass a bylaw of that nature because the federal cabinet has taken no action to enforce the provisions of the Navigable Waters Protection Act.

• (4:50 p.m.)

The Millgate development over toward the mouth of Etobicoke Creek, to which I have made reference in the past and to which I will refer and keep on referring until the cabinet either declares it national park land or orders the fill to be removed by the people who dumped it there—there is authority for such action in the Navigable Waters Protection Act—projects out into Lake Ontario something like 330 feet, which is a full 110 yards, with a width of about 220 feet. This is earth that has been dumped into Lake Ontario. The waves are beating on it and around it and are wearing it down and scattering

mud east and west along the shoreline of Lake Ontario.

If the minister wants to see a fine case of pollution all he has to do is go to the point where Etobicoke Creek empties into Lake Ontario. About a quarter of a mile east he will see a prize example of illegal fill which is playing havoc with Len Ford park. It is on the shoreline and belonged originally to the village of Long Branch and now to the borough of Etobicoke which enveloped that village. He will find private owners along this shoreline who are protesting about the mud, the flotsam and the jetsam which is being washed up on the shore three-quarters of a mile east and west of this Millgate fill. Why cannot the minister responsible for pollution get either the Minister of Transport or the Minister of Public Works to enforce that provision of the Navigable Waters Protection Act which says that those who deposit illegal fill without having their plans approved prior to such action will be forced to remove them or the government may remove them and charge the expense of removal to those people who dumpted the illegal fill?

Let us leave the Millgate aspect for a moment and go farther east to the mouth of the Humber River, where I was 24 hours ago. The muddy water extends out into Lake Ontario for half a mile to three-quarters of a mile, and with the wind being from the southeast yesterday the muddy appearance of the water was evident for possibly two to two and a half miles west of the Humber River. If you stand on Lakeshore Boulevard you can count possibly 1,000 dump loads of fill on top of the illegal fill which has been placed there over the years. I say that you can count 1,000 dump loads of fill which have not been levelled off by bulldozers or other mechanical action and are conclusive proof that fill has been brought there and is still being brought there in order that lots can be created in Lake Ontario which will sell for at least $500,000 per acre.

The area of fill south of the Humber hotel is much larger than in the case of the Millgate fill farther to the west. It is so large that the people who developed it have even had the effrontery to go before the council of the borough of Etobicoke and ask to have the property zoned for an apartment house and hotel construction. The land that they want zoned by the borough of Etobicoke is created land that did not exist there until they started putting fill in Lake Ontario. It is interesting to note that the borough of Etobicoke recognizes that the land is there and is paying attention to their demands that an unopened road allowance running from Lakeshore Boulevard down to Lake Ontario shall be closed. These people are illegally filling in Lake Ontario without any obstruction from the Minister of Public Works, or should I say the Minister of Transport, because I do not know who is responsible at the moment. I can only tell the house that neither of them is accepting responsibility. Neither of them has stopped this illegal fill being dumped into Lake Ontario. I am told that the council of the borough of Etobicoke is passing a regulation to close up that street allowance as it would separate the two pieces of fill these people would like to have as one big building lot rather than two small ones, in exchange for a promise that there will be another road allowance provided on the west side of the fill.

What I am drawing to the attention of the chairman and members of the committee is the fact that the federal cabinet simply stands by and does nothing to enforce the Navigable Waters Protection Act. The Minister of Energy, Mines and Resources stands up and talks about the great action he is going to take to stop pollution, but these people keep dumping mud, fill, broken concrete and cinder blocks into Lake Ontario. Three weeks ago there was fill dumped into the lake at the foot of Thirteenth Street in the former town of New Toronto which is now part of the borough of Etobicoke.

I should like to ask the Minister of Energy, Mines and Resources whether he will follow up with action his promises that he is going to stop pollution in Lake Ontario and all other waters that come under his jurisdiction. The people in the south end of the borough of Etobicoke know they cannot expect any action from the Minister of Public Works. He has had years in which to do something but he has done nothing. There may be some hope that the Minister of Transport will do something, but in view of the delay in bringing the Navigable Waters Protection Act under his jurisdiction I felt I should now ask the Minister of Energy, Mines and Resources to use his good offices to see that this illegal filling is stopped.

The property that has been created should be turned into national parks for the benefit of all the people, not just some would-be builders. The pollution should be controlled in the interests of all the people on the north shore of Lake Ontario. Anyone flying in or out of Toronto, if their plane flies along the

north shore of the lake—sometimes you fly right along the north shore because of wind variation—can see that this fill has nothing to do with the natural contour of the land. It stands out like a sore thumb in two or three places where the Department of Public Works does not interfere with the dumping.

In view of the legal connections involved in this illegal fill I can only state that if some cabinet minister does not take the necessary drastic action shortly the cabinet will have more on its hands than it can handle, because all the legal niceties tied up with this illegal fill are well known to the people living in the south end of Etobicoke and to the members of the Etobicoke borough council.

[*Translation*]

Mr. Ricard: Mr. Chairman, I should like to take just a few minutes first of all to present my roses to the minister as a token of my admiration for the way in which he fulfils his obligations. I hope he will accept them, and to make them even more agreeable, I will make them "American Beauty".

Mr. Chairman, in his opening remarks on his estimates, the minister said that water was one of our most important resources. I think that no one questions this statement and we realize it even more when we are somewhat deprived. In fact, that is when we realize that water is of primary importance and that it must be used reasonably, since it is not an inexhaustible resource.

As the minister said, Canada is favoured, because we have a lot of fresh water for our population. If my information is correct, I think Canada owns approximately one fifth of the fresh water in the free world, and the province of Quebec has one third of the fresh water in Canada. As I said a moment ago, and as the minister himself noted, we have no assurance that it will always be this way and that our water resources will not, in time, create major troubles.

At various times, the alarm has been sounded by qualified authorities on the matter. For instance, I note in the newspaper *La Voix de l'Est* of November 2, 1966, that Mr. Peter White, president of the rural development of Brome county, sounded a warning that it may be proper to emphasize, and I quote:

> —the Yamaska lake and river have become "a sewage lagoon".

Mr. Chairman, when it is realized that the Yamaska river supplies water to cities such as Granby and St. Hyacinthe, it is important seriously to consider this warning by someone who is aware of the question. In the article mentioned here, the following is stated, and I quote:

> Bacteriological contamination at St. Alphonse de Grandby, a small village nearby, is very serious. Animals have died through the years after drinking in the river. The river gives off a foul odour... the fish died some eight years ago.

The situation in that area is most alarming and it is imperative that we give it our whole attention.

On the other hand, Mr. R. L. Demers, engineer with the Quebec water control board, said, in an article published in *La Presse* on November 25, 1966:

> It is later than we think as regards water pollution.

The premier of Quebec himself said, as reported in *La Presse* on February 14, 1967, and I quote:

> If we do not use our water intelligently, if we misuse it, if we waste it unsparingly, and especially without any thought for the future, our water may not always constitute an inexhaustible resource.

As I am aware of the goodwill of the minister, aware also of his eagerness to help the population, I should like to have his co-operation, so that the threat to public health may eradicated from my area. I should also like to suggest that he use his influence with his colleagues, the Ministers of Forestry and Rural Development, of National Health and Welfare, and of Public Works (Messrs. Sauvé, MacEachen, McIlraith) so that a dike might be built on Yamaska River at Rapide Plat.

• (5:00 p.m.)

In the summertime, Mr. Chairman, the Yamaska river reaches such a low level, below the dike known as "Penman", that it becomes a menace to public health. Fish die and the decay gives off a most unpleasant odour for the shore dwellers, and this smell I am sure, is also a menace to public health. I do think that it would cost very little to each of the departments concerned, to build a dike which would meet the general approval of the people of Saint-Hyacinthe and the other villages which also get their water supply from that river.

The minister will work, in a more or less distant future, in some part of my riding, where he will probably find the thorns to match the roses which I sent him earlier, from a political point of view, and I should like him to take advantage of that opportunity

to start working on his reputation so that, when the time comes to ask for votes in that part of my present riding, he will already be welcome.

I think the minister could very easily initiate a study into present conditions and their continuing disadvantages, as well as the menace to public health they constitute. I am sure that the minister would not want to have a summer cottage in the vicinity of a river which, during dry spells in the summer, gives off odours which are far from pleasant.

Therefore, I leave this problem with the minister. I am sure he will want to give favourable consideration to that question of pollution not only of water but also of air which is a menace, as I said before, to public health.

[*English*]

Mr. Martin (Timmins): Mr. Chairman, in just a few words I should like to express my disappointment at the news we heard this morning. I believe this is a very sad day for Canada and I think time will prove me right. The only thing that is perhaps not disappointing is that this will also prove to be a very sorry day for the Liberal party.

The fact that the decision announced this morning, as was pointed out by my colleague the hon. member for Timiskaming, was made purely and solely in the interests of the United States of America should also give the government and the Canadian people room for thought. In this respect we have experienced delay upon delay continuing for months and months. Suddenly, because the United States was given a real scare last week when overnight the Arab countries at least temporarily cut off their oil, the decision was made. I should like the Canadian people and the government to stop for one moment and consider whether this decision was really made in the interests of Canada.

The hon. member for Qu'Appelle said a few words on this subject and put forward certain suggestions. I wonder whether he has really stopped to think about what he said. He proposed, for example, that the gas should be sold on a cost for distance transported basis. If the line was to be built completely in Canada I would agree wholeheartedly with him. But in supporting the move to build the line through the United States he was in fact saying that United States customers should in perpetuity pay a cheaper rate than Canadian customers who live farther along the line. He also reiterated—I believe the government shares his opinion—that this program will result in a much cheaper rate in eastern Canada. I am sorry that I do not share the optimism of the hon. member for Qu'Appelle any more than I share the optimism of the minister when he expresses the same view. Furthermore I defy either the minister or anyone else in the house to show one single instance where cost is a factor in our modern society. The cost factor does not enter into the picture at all. We all know or at least we should know that the only factor is what the traffic will bear, not what it costs to transport the gas.

• (5:10 p.m.)

The hon. member for Qu'Appelle, who is attempting to build up a reputation as a great nationalist, seems to defeat his purpose whenever he happens to deal with either gas or oil. I suggest that he review his ideas in this field. I was called to the telephone during one part of the hon. member's speech but I am told that he had some rather harsh words for the members of my party and the stand we have taken throughout the whole debate. I believe the hon. member paid a recent visit to northern Ontario and attended a meeting in my constituency. He must have seen with his own eyes how much support the views of his party receive in that part of the country. In fact, if he needs any further proof all he has to do is to look at the results of the recent election in Sudbury and he will find that the Conservative party got less than 10 per cent of the votes. The same is true in my riding.

There are one or two other points I should like to make. I have found that it is practically impossible for university students to find summer employment this year all across northern Ontario. The same is true for high school students in the top grades who are looking for jobs to pay for their further education. The big surge which followed the Texas Gulf crisis has now reached a plateau. Construction work is over. The Hollinger mine has announced that it is closing down and the Preston East Dome mine is to close before the end of the year. There is no work in prospect for our young people. Perhaps the minister will say that they can go to the United States and get jobs in the construction of the pipe line through the United States. Is this what the government is planning for our young people?

The government has made that part of the country a designated area, which may or may not stimulate development and build up industry there. However, I will tell the minister

once more, as I told him before, that the fastest way to stimulate the economy and build up industry in that area would have been to build the pipe line through northern Ontario. The government has dawdled, stumbled and procrastinated until the tragic situation in the Middle East has finally compelled the United States federal power commission to make up their minds for them.

In closing I warn the minister and the government that the battle may be lost but the war is not over. It is my intention to take a good cameraman on a trip with me to see the construction of the line in the United States and to take pictures of the development taking place adjacent to it. Even if I have to do it at my own expense, I will go on every television station in northern Ontario to show the people what has happened as a result of the sell-out by this government. This may not help the situation but it will prevent a similar sell-out in the future.

Mr. Ballard: Mr. Chairman, I should like to take a few minutes to bring a couple of points to the attention of the minister, particularly in view of the political developments which have taken place in the world in the last few days. I think that the Israeli-Arab war should make it fairly clear to the minister that we must take a new look at the oil and gas industries in Canada. I point out to the committee that the Canadian oil industry is one of the largest industries in Canada. In fact, in the last 20 years it has developed from a $20 million a year industry to one worth over $1 billion in 1967. It is an industry which has greatly contributed to the balance of payments problem in Canada and to the welfare and prosperity of the provinces of Alberta, Saskatchewan, Manitoba, and in fact British Columbia.

I do not want to go into the effects of the oil situation in Alberta so much as to try to relate to the minister the political implications of the recent world events and to quote to him a section from the Carter report which directly concerns the oil industry in Canada.

As the minister is quite well aware, oil has been discovered and is being produced in many parts of the world. New discoveries have been made in North Africa, Nigeria, the North Sea, the Middle East, Russia, and many other places. In most of these areas production is sometimes subject to political pressures. Combined with ever-increasing discoveries of oil there is an ever-increasing demand for oil in the world. There is an insatiable hunger for energy. For example, in 1966 33 million barrels per day were used, nearly double the amount used ten years previously. However, the point which must be kept in mind is that for every barrel of oil produced a new discovery must be made. In other words, use must be matched with new discoveries of oil and also account must be taken of the contemplated increase in the use of oil in the world.

In so far as Canada is concerned, and possibly the whole of North America, the security of our sources of supply of oil must be guaranteed. The importance of this has been emphasized by the political unrest in various parts of the world in recent years A few years ago the oil industry was nationalized in Iran as a result of which there was an interruption in the flow of oil to the western world for several weeks. This was followed by the Suez crisis in 1956. When Egypt took over the Suez Canal it cut off all the oil supplies that normally travelled through there. It also cut off the Arab pipe lines. As a result of the recent conflict between the Israelis and the Arabs oil supplies to Europe, North America, Japan, and in fact all parts of the western world, have been cut off.

• (5:20 p.m.)

In considering the development of Canadian oil reserves, the security of our sources of supply must stand very high on our list of priorities. This was pointed out by the Borden royal commission. As a matter of fact, the Borden royal commission made this statement.

> It is undoubtedly in the national interest that Canada should at least be in a position rapidly to make itself as independent as possible of imports which may be subject to interruption.

I do not pretend that there was an interruption in the supply of oil in Canada during the recent crisis but if the crisis had continued for a longer period of time it is quite possible that there would have been an interruption.

I would point out to the committee that Canada has relied increasingly on Middle East oil for use in the eastern Canadian market. In 1964 Venezuela, which up until recently has been our principal supplier of oil from overseas, supplied 71 per cent of the offshore supplies in eastern Canada and the Middle East supplied only 25 per cent. In 1965 Venezuela supplied 60 per cent and the Middle East 36 per cent. One can see that there is a decrease in the quantity of oil imported from Venezuela and an increase in the amount of oil imported from the Middle

East. The situation becomes even more pronounced in 1966 when Venezuela supplied only 50 per cent and the Middle East supplied 47 per cent. In two years the oil supply to eastern Canada from the Middle East has increased in volume from 25 per cent to 47 per cent.

It is worth noting that the considerable increase in oil imports which took place between 1965 and 1966 was of oil which originated in Nigeria and Libya. Almost the whole of the increase was represented by oil from Nigeria. The recent political disintegration of Nigeria is now common knowledge.

I bring these points to the attention of the minister principally because there is a section of the Carter report that could have a tremendous effect on oil exploration in Canada. I should like to refer the minister to page 326 of volume 4 of that report where it is said:

> But if costs of conventional oil exploration continue to rise it is apparent that, if the tar sands are not now competitive with conventional crude, they will be competitive in the near future, and Canada's oil reserves, for all practical purposes, will be limitless. Devoting resources to the search for conventional oil is, or will become, unnecesary.

I should like the minister to look at that reference and give due consideration to it because the statement upon which the recommendations of the Carter report are predicated is an exaggeration. It does not take into consideration some of the political requirements of this country. For example, the statement falls short in at least three respects.

First of all, according to the statement the cost of conventional oil exploration continues to rise. As a matter of fact, just the opposite is the case. The cost of exploration for oil in western Canada is decreasing, and decreasing quite rapidly.

Second, it is stated that if the tar sands are not now competitive they soon will be. This is incorrect. The tar sands are not now competitive and it is difficult to see just at what time in the future they will be. It may be a very long period of time before tar sands developed oil will be able to compete with conventional oil.

Third, the statement totally disregards the fact that it takes at least five years to develop an oil project, particularly tar sands. It might also take the same length of time to develop a conventional flow of oil, build a pipe line and get the oil to the market. The statement made in the report of the Carter commission is quite premature. I do not think that the oil policy of this country should be predicated on such an assumption. I do not think that a change in taxation as it affects oil companies should be predicated on a statement of this sort.

I believe that the time has now come to take another look at the possibility of making this country self-sufficient in supplies of oil. As the minister is quite well aware, we are capable of producing more than enough oil for our own use. Yet the fact of the matter is that we still import large amounts of oil for use in eastern Canada. This is all well and good as long as political relationships in the world are harmonious. But I think an advanced country like Canada should be prepared to face all emergencies so far as the supply of energy is concerned, and the minister should look at the possibility of using Canadian oil only for all our needs.

I hope the minister will take seriously the comments I made about the Carter commission. It will probably be to the advantage of Canada to continue to develop oil reserves against the day when we do need far more oil on a daily basis than we require today.

Item agreed to.

(The following items were agreed to:)

ENERGY, MINES AND RESOURCES

A—Department—

Administration services—

5. Construction or acquisition of buildings, works, land and equipment including common-use field survey equipment, $884,000.

10. Contributions to the provinces, pursuant to agreements entered into with the approval of the Governor in Council by Canada with the provinces, to assist in the development of roads leading to resources, $2,834,000.

15. Subventions in respect to eastern coal under agreements entered into pursuant to the Atlantic Provinces Power Development Act, $3,000,000.

Field and air surveys, mapping and aeronautical charting—

20. Administration, operation and maintenance including purchases of air photography, the expenses of the interdepartmental committee on air surveys, the expenses of the national advisory committee on control surveys and mapping, authority to make recoverable advances not exceeding the amount of the share of the United States government of the cost of binding annual reports and maintaining boundary range lights, and grants as detailed in the estimates, $10,425,000.

Marine surveys and research—

25. Administration, operation and maintenance including Canada's fee for membership in the international hydrographic bureau, $13,624,000.

30. Construction or acquisition of buildings, works, land and equipment, $9,880,000.

Geological research—

35. Administration, operation and maintenance including the expenses of the national advisory committee on research in geological sciences, Canada's share of the cost of the geological liaison office, British Commonwealth scientific conference, London, England, Canada's fee for membership in the international union of geological sciences and grants as detailed in the estimates, $8,780,000.

40. Construction or acquisition of buildings, works, land and equipment, $555,000.

Mining and metallurgical investigations and research—

45. Administration, operation and maintenance including the expenses of the national advisory committee on research in mining and mineral processing, Canada's share of the cost of the Commonwealth committee on mineral processing and $100,000 for grants in aid of mining and mineral processing research in Canadian universities, $6,895,400.

50. Construction or acquisition of buildings, works, land and equipment, $686,600.

Geographical surveys and research—

55. Administration, operation and maintenance including the expenses of the Canadian permanent committee on geographical names, the national advisory committee on geographical research and the national committee for Canada of the international geographical union, Canada's fee for membership in the international geographical union, and grants as detailed in the estimates, $1,120,000.

Research in astronomy and geophysics—

60. Administration, operation and maintenance including the expenses of the national committee for Canada of the international astronomical union, Canada's fee for membership in the international astronomical union, and grants and contributions as detailed in the estimates, $3,209,000.

65. Construction or acquisition of buildings, works, land and equipment, $2,674,000.

Research and investigations on water resources—

70. Administration, operation and maintenance including Canada's share of the expenses of the international executive council, world power conference, a contribution to the Canadian council of resource ministers in an amount equal to one-third the aggregate contribution of the provinces but not exceeding $55,000, the expenses of the Saskatchewan-Nelson basin board and the Atlantic tidal power programming board including recoverable expenditures relating thereto, grants as detailed in the estimates, and authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the shares of the province of Manitoba and of the province of Ontario of the cost of regulating the levels of Lake of the Woods and Lac Seul and the amount of the shares of provincial and outside agencies of the cost of hydrometric surveys, $12,364,000.

75. Construction or acquisition of buildings, works, land and equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the shares of provincial and outside agencies of the cost of hydrometric surveys, $2,439,000.

80. Contributions to the provinces towards the construction of dams and other works to assist in the conservation and control of water resources in accordance with agreements entered into between Canada and the provinces, $10,172,000.

General—

85. Polar continental shelf project, $1,791,000.

B—Dominion coal board—

90. Administration and investigations of the dominion coal board, $236,339.

92. Payments in connection with the movements of coal under conditions prescribed by the governor in council in addition to the payments authorized for the current fiscal year by mines and technical surveys vote 75b Appropriation Act No. 10, 1964 as amended by mines and technical surveys vote 75d, Appropriation Act No. 2, 1966; additional amount required in 1967-68, $7,765,661.

C—National energy board—

95. Administration, $1,500,000.

Energy, Mines and Resources—

L25. Advances in accordance with agreements entered into pursuant to the Atlantic Provinces Power Development Act, $25,285,000.

• (5:30 p.m.)

ATOMIC ENERGY

(The following items were agreed to:)

Atomic energy control board—

1. Administration expenses of the atomic energy control board, $307,400.

5. Grants for researches and investigations with respect to atomic energy, $2,500,000.

Atomic Energy of Canada Limited—

(Research Program)—

10. Current operation and maintenance, including expendable research equipment, $56,383,000.

15. Construction or acquisition of buildings, works, land and equipment, $9,617,000.

L5. Advances to Atomic Energy of Canada Limited in such amounts and on such terms and conditions (including the delivery to Her Majesty, in satisfaction of the advances, of obligations or shares of the company) as the governor in council may approve, to finance the construction of the Candu-BLW 250 nuclear power station in Quebec; to share in the construction of the Pickering generating station under agreement between the federal government, the province of Ontario and the Hydro Electric Power Commission of Ontario; to finance the construction of manufacturing facilities and a laboratory for the commercial products division at South March; to finance the construction of housing and other works near the Whiteshell nuclear research establishment, $32,000,000.

Mr. Hales: One brief question. I understand that the purchasing of transmission lines and transformers in connection with the Nelson River project is being done through the Atomic Energy Board. If so, I hope the minister and the board will give due, thorough and thoughtful consideration to placing the tender with the firm which has the highest Canadian content. Can the minister give us any indication of the thinking in this regard?

Mr. Pepin: I do not want to belittle the importance of the point which the hon. member has just made, but it was already emphasized this afternoon by the hon. member for Peterborough. This is a difficult decision to make because it involves a choice between equipment which is already being used and tested in Canada and elsewhere, and equipment which is entirely new. Atomic Energy of Canada will, of course, analyse all the factors involved. If the hon. member feels the need for a guarantee, I can tell him that the Manitoba government will be there, looking over the shoulders of Atomic Energy of Canada while the decision is being made. All the factors which have been mentioned will be taken into consideration.

Item agreed to.

(The following items were agreed to:)

LOANS, INVESTMENTS AND ADVANCES

L10. Advances to Atomic Energy of Canada Limited in such amounts and on such terms and conditions (including the delivery to Her Majesty, in satisfaction of the advances, of obligations or shares of the company) as the governor in council may approve, to finance the carrying charges on heavy water for the Douglas point generating station and to finance the purchase of Canadian-produced heavy water for resale to Canadian and foreign users, $10,500,000.

L15. Advances to Atomic Energy of Canada Limited in such amounts and on such terms and conditions (including the delivery to Her Majesty, in satisfaction of the advances, of obligations or shares of the company) as the governor in council may approve, to finance the construction of transmission lines in connection with the Nelson river power project, in accordance with an agreement between Canada and Manitoba to be approved by the governor in council; to authorize Atomic Energy of Canada Limited to construct, control, lease and dispose of the said transmission lines, $15,000,000.

The Chairman: This completes the estimates of the Department of Energy, Mines and Resources.

Some hon. Members: Hear, hear.

Resolutions adopted in committee of supply this day reported and concurred in.

CAPE BRETON DEVELOPMENT CORPORATION

PROVISION FOR TAKING OVER COAL UNDERTAKINGS, DEVELOPING INDUSTRY, ETC.

The house resumed, from Monday, June 19, consideration in committee of Bill No. C-135, to establish the Cape Breton Development Corporation—Mr. Pepin—Mr. Batten in the chair.

The Chairman: When the committee rose yesterday clause 16 was under consideration, clauses 2 to 15 having been agreed to. Perhaps I should point out to the committee that last evening when the discussion ended at ten o'clock the hon. member for Halifax had suggested an amendment. I do not think he had formally proposed an amendment.

Mr. Rapp: My hon. friend from Cape Breton North and Victoria will be here in a minute or so. Perhaps we could delay the proceedings until he gets here.

Mr. Pepin: All right.

Mr. Rapp: Thank you. We will co-operate with the minister but I think we should wait a couple of minutes until my hon. friend arrives.

On clause 16—*Powers.*

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, last Thursday evening we on this side wished to continue consideration of this legislation but apparently it was not the wish of the government to do so. Last night we did not carry on with it either. Despite the fact that we wished the bill to be presented to us again early this afternoon, rather than the estimates of the minister, the decision was made to present the estimates. We were then assured the bill would be brought up at eight o'clock tonight. The minister must have been in his usual good humour because his estimates were passed more quickly than we anticipated. If I recall correctly, last night there was an amendment to clause 16 (b). Could we not stand that clause for the moment?

• (5:40 p.m.)

The Chairman: Does the committee agree to stand clause 16 and proceed with the discussion on clause 17?

Some hon. Members: Agreed.

Clause stands.

On clause 17—*Duty to submit over-all plan for coal.*

Mr. Lewis: Mr. Chairman, this is one of the key clauses of the bill and it gives some of us a great deal of concern. So far as I am concerned, the basic difference between a public corporation and a private corporation in the part of Canada with which this bill deals is that a public corporation ought not to be concerned at all times with financial and economic considerations as the top priority but

rather with social and community matters as the top priority in its actions.

Without suggesting that the minister is not as bothered about the problems in Cape Breton as any of the rest of us, it seems to me the wording of this clause emphasizes the same kind of priority which Dosco itself has had, the kind of priority that would be mainly concerned with the financial and commercial advisability of continuing or not continuing, reducing or not reducing the production of coal, rather than being concerned with the consequences to the communities where the mines are located.

Clause 17(1) calls upon the corporation to provide an over-all plan "as soon as practicable and in any event not later than one year after the coming into force of this act." That may be less than one year after the corporation gets under way. Further, the clause provides that the plan:

> —shall take into account progress in providing employment outside the coal producing industry and in broadening the base of the economy of Cape Breton Island.

The same wording and the same objective are not stated when one comes to the more detailed steps with which the clause is concerned. I do not want to repeat what I said yesterday but, as the minister properly emphasized, it is impossible for a person to foresee exactly what the circumstances may be five or ten years from now when that person is preparing a plan during the first few months of the new corporation's existence. Therefore the general requirement that the corporation take into account the question of alternative employment when preparing its over-all plan is hardly the kind of safeguard that we should have.

What gives me great concern is the wording of subclause (4) (b) which states that before closing or substantially reducing the production of coal from any coal mine operated by it the corporation shall ensure, in the first place, that the reduction takes place in accordance with the over-all plan, or any modification of it made later and, in the second place, that "all reasonable measures have been adopted... to reduce as far as possible any unemployment or economic hardship that can be expected to result therefrom."

This kind of language clearly contradicts the statement which the Prime Minister made and the sort of policy which the government claimed to have laid down, that the phasing out of coal would be geared to the phasing in of industry. As I said yesterday, I can appreciate that if a coal mine employing several hundred people is closed down there may be five, 10 or 20 miners who cannot immediately be placed in available work. But I suggest that the legislation ought to be such as to place a legislative duty on the corporation not to take any steps to phase out a coal mine until there is in fact alternative employment for those who will be displaced. This does not mean alternative employment for every single person but it does mean alternative employment for the work force as a whole.

Therefore, without taking the time of the committee to make a lengthy speech, I move:

> That paragraph (b) of subclause (4) of clause 17 be amended by deleting therefrom all the words after the comma in line 7, page 9, and substituting the following words therefor:
>
> "to provide alternative employment for employees of the corporation who may be laid off as a result thereof."

The clause would then read that the corporation would have to assure itself that:

> (b) all reasonable measures have been adopted by the corporation, either alone or in conjunction with the government of Canada or of Nova Scotia or any agency of either of such governments, to provide alternative employment for employees of the corporation who may be laid off as a result thereof.

We have safeguarded against saying that this means job for job by the words "all reasonable measures" at the beginning of the subclause, which obviously do not place on the corporation any impossible task. But instead of saying, "Before you reduce coal production you should take measures to reduce unemployment and the effects of unemployment as much as possible" the clause would say to the corporation, "Before you can reduce any coal production you should take all reasonable measures to provide alternative employment for employees displaced by your action." I suggest it is a reasonable amendment, one which would carry the declared policy into effect much better than the present draft. It is an amendment in positive terms requiring the corporation to make sure that there is alternative employment.

I am of course fully aware of the fact that in this part of the bill we are concerned mainly with the coal division of the corporation, but the action is taken by the corporation itself and this clause refers to the corporation as a whole. Therefore I suggest my amendment is completely in order.

• (5:50 p.m.)

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, with regard to clause 17 I

fully subscribe to the comments which have been made by the hon. member for York South. I believe that as a legislative body it is our duty to take into consideration the statement made by the Prime Minister on December 29, 1966 and also the statement made by the then minister of labour on October 5, 1965. Here we are a year and eight months later trying to get around to doing something in respect of both the statements made by the two hon. gentlemen. As members we are only trying to improve the legislation so that we will get the best possible bargain for those who unfortunately are affected as a result of the phasing out by the government of the coal mining industry in Nova Scotia.

I am very pleased that the hon. member for York South has introduced this amendment. Actually I had one prepared which reads as follows:

To ensure that no displacement of employees would take place without alternative work being provided.

So we are not too far apart in respect of our amendments. I think it is our duty to improve the legislation, as I have already intimated, in the best way possible so that no one will be hurt any more than already has been the case because of having been employed in the coal mines of Nova Scotia.

Subclause (4) (b) of clause 17 reads:

(b) all reasonable measures have been adopted by the corporation, either alone or in conjunction with the government of Canada or of Nova Scotia or any agency of either of such governments, to reduce as far as possible any unemployment or economic hardship that can be expected to result therefrom.

To my mind, and I believe in the minds of many members on this side of the house, this wording is rather vague. We would like to have spelled out a little more clearly what the government has in mind concerning what will be done for the workers who are to be displaced as a result of the phasing out of the coal mines. As we have stated, you cannot take a half dozen persons out of a coal mine and place them somewhere, and then take another 20 or another 50 tomorrow, without having a serious disruption of the operations of that mine. Therefore I believe it is up to the government and the corporation to make sure that something will be done en masse or in a similar manner so that no one will suffer any hardship. They should not be released from the coal mine when it is closed down and eight months later still be walking the streets trying to find employment.

I should like to ask the minister whether he is in a position to give us his views in respect of this amendment or the one I would propose. I believe either would be agreeable to us, but, I endorse the amendment of the hon. member for York South.

Mr. Pepin: Mr. Chairman, I do not think I need repeat that this legislation is both social and humanitarian and that there is a relationship between the phasing in and phasing out. The principles are very clear. The amendments which have been suggested, in some ways are more limiting than the wording in the bill itself. If the hon. member will look at the bill again he will see that it states—and I shall not read the entire subclause:

All reasonable measures...to reduce as far as possible any unemployment or economic hardship that can be expected to result therefrom.

I should like to emphasize the word "any". So this includes those people whom the hon. member for Cape Breton North and Victoria and the hon. member for York South particularly have in mind. Not only does it include employees but also other people who might suffer as a result of the phasing out of the coal mining activities. Therefore the wording as it appears in the bill is wider than what the hon. members have in mind. I think they should agree with the present wording.

Mr. Lewis: Mr. Chairman, I am afraid I cannot agree because in my opinion the wording, even though it has the meaning the minister suggested, is an invitation to the corporation to go ahead with coal production reduction even though this may result in unemployment. When I am told that it means to reduce as far as possible any unemployment or acute hardship, I do not know what is meant by "as far as possible".

The point I am making is that the general proposal in subclause 1 relates to the plan and when you are saying to the corporation when it may or may not undertake a substantial reduction in the production of coal all you are saying is that it must make sure there is as little unemployment as possible. That may mean unemployment for half the people in the mine.

Since it is six o'clock and we will probably have to turn to other business, I would suggest to the minister that perhaps a combination of the two might be appropriate. I am not wedded to the particular wording I have put forward. The hon. member for Cape Breton North and Victoria had an alternative wording. I believe there should be a requirement that the corporation should not reduce

coal production until there is satisfactory alternative employment available for all the employees as a whole. This would reduce the possibility of there being unavoidable unemployment for some people.

• (6:00 p.m.)

If the minister would like to give some thought to this point, then by all means I hope he will do so. I simply am not convinced that this wording is right. I emphasize that the provision which gives the corporation instructions concerning when it may or may not reduce coal production should again repeat in specific terms the idea contained in subclause 1 that it must have authority to take steps to deal with any unavoidable hardship. Personally I am not prepared to support the wording as it now stands with its emphasis on unemployment and economic hardship rather than on the basic underlying idea of alternative employment or alternative training before any reduction takes place.

The Chairman: Order, please. It being six o'clock, in order that the house may proceed to the consideration of private members' business I do now leave the chair.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Labelle (Mr. Clermont), Agriculture—assistance required for potato producers; the hon. member for York-Humber (Mr. Cowan), Immigration—denial of landed immigrant status to Greek shepherd; the hon. member for Prince Edward-Lennox (Mr. Alkenbrack), Television—Napanee, Ont. —request for approval of cable facilities.

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.

PRIVATE BILLS

AETNA CASUALTY COMPANY OF CANADA

The house resumed, from Tuesday, June 6, 1967, consideration of the motion of Mr. Cameron (High Park) for the second reading of Bill No. C-112, to incorporate Aetna Casualty Company of Canada.

[Mr. Lewis.]

Mr. Frank Howard (Skeena): Mr. Speaker, on two previous occasions I have spoken on the motion for second reading of this bill. Anyone who tries to follow those remarks will have a rather difficult time because they are scattered throughout *Hansard* for various dates from May 30 of this year going back to last session. This is one of the bills that had their roots in the previous session, but were not passed. Frankly, I do not think it should be passed on this occasion either because, as I have said on a number of occasions about this and similar bills, it contains within it no provision whatever to permit the company to comply with the enunciated policy of the government of Canada or the feelings of nearly all members of parliament.

The gist of our objection to the incorporation of Aetna Casualty Company of Canada is that this company should within a reasonable period of time become Canadian owned, and it has not done so yet. During the last session we had similar discussions and felt that this point of view had been fairly well set out by the Prime Minister (Mr. Pearson) and the President of the Privy Council (Mr. Gordon) and had been supported by other members of the house. It was felt that when and if this company again desired to become incorporated it would be forewarned of the attitude which might be taken, namely, that it should become a Canadian owned company within a reasonable period of time.

The intricacies of the company and its relationship to a United States company have been clearly set out by the sponsor of the bill. I might point out that even if we reach the stage of voting the sponsor would regretably not have the opportunity of making any concluding remarks about our objections because he appears to be somewhere else. In any event, he set out very clearly the relationship between this company and the parent company in Hartford, Connecticut.

The sponsor of the bill also referred to the company's premium structure, the number of policies it sold and its income, but nowhere in his remarks was there any intimation that the company or the sponsor of the bill, who is a Liberal, had given any recognition whatever to the declared policy of the government as announced very forcibly and clearly by the Prime Minister and as supported by a number of members of the cabinet.

When government policy on a matter such as this is delcared by the first minister of the cabinet, the Prime Minister, individuals and their supporters who come to parliament

seeking company incorporation under the umbrella and protection of the parliament of Canada have a duty to see that their bill complies with the announced policy. This bill fails to do that and I submit that the individual who—

Mr. Speaker: Order, please. The hon. member's time has expired.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am sure that many members of the house will recall that I view nearly all private incorporations of insurance companies with a jaundiced eye. I have a particularly jaundiced eye in respect of this company. I have been reading the statement the sponsor made on May 30, as recorded in *Hansard* at page 752, about the astonishing generality of this company. It is to be a subsidiary of the Aetna Casualty and Surety Company of Hartford, Connecticut. That company is a corporation carrying on a substantial general insurance business in the United States with its subsidiary, the Standard Fire Insurance Company, and writes business on all classes of insurance.

The sponsor told us that 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 when a reorganization was conducted under which all the shares were transferred to and are now being held by a trustee for the shareholders of the Aetna Life Insurance Company.

The Aetna Life Insurance Company has had a similarly chequered career. It was incorporated and commenced business in 1853. The Aetna Life and Casualty organization now carries on business throughout the United States of America. The sponsor then tells us that the Aetna Life Insurance Company commenced business in Canada over 100 years ago. Apparently in 1960 the Aetna Life Insurance Company made an offer to the shareholders of the Excelsior Life Insurance Company of Toronto to purchase approximately 70 per cent of its outstanding shares. I suppose this is the way this company finally came into Canada.

There has been absolutely no concealment whatever that this is a foreign-owned corporation. It is owned entirely in the United States, and there is no suggestion that there are any other shareholders than those residing in the United States. At one point the sponsor of the bill had this to say:

> All but four of the present employees are Canadians—

He was referring to the Aetna Casualty and Surety Company of Hartford which has claim offices in Toronto, Montreal, Quebec city, Hamilton, Winnipeg, Calgary and Vancouver. It would be interesting to know just who those four employees are, because I suspect that they are not office boys or stenographers. I suspect that one might find these four employees sitting in the executive offices of this company in Canada. The rest of the employees, who may be Canadian citizens, are not holding the important positions that these four unidentified, non-Canadians are holding.

• (6:10 p.m.)

There is another point I would have liked the sponsor to develop a little further. The hon. member for High Park (Mr. Cameron) said:

> 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.

I presume he means the balance of payments position, because this is a purely financial matter. I should like to know what this plan is. Does it mean that this company is not merely to collect the savings of Canadians through insurance policies but is to collect the savings of Canadians by means of loans, presumably, and debentures in order to finance its operations in this country? I imagine this is what it will do, because it is the time-honoured method by which foreign companies have been able to extend their holdings in Canadian development, Canadian industry, Canadian resources and, as we see in this bill, Canadian financial institutions. I should like to know just what this particular financing plan, about which the sponsor was rather coy, might be. The sponsor made another rather interesting statement:

> 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.

Let us deal with those three great advantages in allowing this foreign-owned company to move into the Canadian economy. It is said it will create additional employment in Canada. Well, perhaps it will. But I suggest that every policy written by the Aetna Casualty Company after this bill is passed will be written at the expense of an existing insurance company. There is, after all, a very definite limit to the amount of funds that are available for investing in the policies of this type of company. Therefore I doubt that there will really be any additional employment as a

result of the incorporation of this company, or if there is it will be additional employment which will increase the rates because it will increase the costs of insurance companies doing business in Canada.

The sponsor says that the establishment of this company will provide additional capital funds. I wonder how that statement can be squared with the statement about the financing plan that will provide capital without affecting the balance of payments position between Canada and the United States. Obviously, if this company is to provide additional capital it must come from somewhere outside the country, and if it comes from somewhere outside the country it is bound to have some effect on our balance of payments position.

The final praise for this company, the final argument in favour of our accepting it, is that it will provide additional capacity for the insurance market. I have yet to hear any insurance company complaining that it has not the capacity to service everybody who tries to buy a policy from it. In fact, I am sure we all know that the major expenditure of insurance companies is the commissions and wages of agents who go out and try to sell policies. I do not think any additional capacity is required in the insurance market in that regard. I am quite sure the present insurance companies can write all the policies that the people of Canada want to have written. I believe that the present insurance companies can carry all the load of insurance that Canadian business wishes to have carried. It seems to me a rather preposterous idea to suggest that this company will provide additional capacity for the insurance market. What it will do is bring about additional costs to the whole insurance industry of this country, as does every new insurance company incorporated by this parliament.

I would report for the benefit of hon. members of the house the words of the inspector of insurance when I asked him in committee whether in his opinion the incorporation of new insurance companies was calculated to create the sort of competition that would reduce costs for the insurance policyholder. I will always remember that the inspector of insurance, after carefully considering my question, said: Well, I admit that in my department they are beginning to wonder whether it is necessary to have all these new insurance company incorporations. This was, of course, as close as one could in fairness expect a civil servant to come to criticizing the policies adopted by the government and the parliament of Canada. Obviously he had very grave doubts as to the benefits to be derived from incorporating more insurance companies.

I should like to stress again the way in which this bill completely flouts the announced policy of the government of Canada and of the parliament of Canada with regard to the foreign ownership of financial institutions. I am quite sure that the committee of which I am a member, and this parliament, did not take the action it took with regard to the Mercantile Bank of Canada as an isolated instance. It was a case in point which underlined the danger, in the view of the government and the Minister of Finance (Mr. Sharp), of allowing non-Canadian interests to get a grip on Canadian financial institutions. This is one of those institutions that to my mind should be firmly in Canadian hands.

Let us look at it this way, Mr. Speaker. These people are not in business for amusement or for entertainment. They are in business to make money. They are going to make money, and we have not yet been told who is to provide the capital and the surplus with which they are to make money. We have had a rather contradictory statement from the sponsor of the bill. But they are in business to make money. They are going to make money out of the Canadian economy. They are going to persuade Canadian people, Canadian businesses and Canadian groups of all sorts to gamble with them on casualty insurance.

It may be true, as the sponsor of the bill says, that it is the intention of the Aetna Casualty and Surety Company, the parent company, to leave any underwriting profits in the Canadian company to strengthen its financial structure. This sounds like a very noble and righteous attitude on the part of the company. It will be what I think the Minister of Trade and Commerce (Mr. Winters) is fond of calling "a good corporate citizen"; it will keep its money in Canada.

I would point out, Mr. Speaker, that every large Canadian subsidiary of an American company has expanded its operations in precisely this way, through what are rather euphemistically called internally generated savings or retained earnings. In blunter parlance, of course, this means excess or surplus profits. This company will leave them here, of course, because it intends to expand its operations. It will expand its operations at the expense of the existing companies in this country.

While I hold no particular brief for any insurance company, domestic or foreign, if I

had to make a choice I would rather see my fellow Canadian citizens have the opportunity to make money out of the rest of us than have people from another country do so. I would be very strenuously opposed to the passage of the bill at this time, particularly when the government has taken a firm position with regard to another financial institution, a position which may well be challenged in a few years time, as I warned the Minister of Finance only a few days ago. When it is challenged I can hear Mr. Rockefeller saying to the government of Canada and the Minister of Finance that they allowed the Aetna Casualty Company of Hartford to come into Canada and set up a company wholly owned by American capital and asking why we are discriminating against him. This is what he said when he came here last time. We will give him an added argument to support his contention that the Canadian parliament was guilty of gross discrimination against the Mercantile Bank of Canada.

• (6:20 p.m.)

I feel very strongly on this matter because of my attitude toward the whole insurance industry, both domestic and foreign. I think that before long we will have to move very quickly in this field because it will become part of any program in the direction of investment, if we are going to develop Canada in the way we want to develop it. If we allow companies which have the privilege of collecting the savings of Canadians to be in foreign hands, our task will be rendered more difficult. So I am very strenuously opposed to the passage of this bill and I hope the house will reject it.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am very interested in the comments that have been made on this bill both by the sponsor and by some of my colleagues. I hope the day will come when such statements do not have to be made, when a statement such as the one I made earlier regarding the national ownership of our resources will be taken for granted. I hope no one will consider allowing the ingress of United States businessmen into a field which affects the lives and aspirations of Canadians any more than they will allow a situation to develop similar to what took place today when the government showed no offence at the fact that an American board made a ruling which gave them an opportunity to get off the hook.

The Aetna Casualty Company is probably no worse or no better than any of the other insurance companies operating in this field. It is true of this company, as it is of car insurance and crop damage insurance companies whose agents receive a percentage of the premiums that are paid by individuals, that the administration costs exceed the normal costs of good operation. As we learned last year, Aetna Casualty Company has been doing business in Canada for a number of years in several fields. One of their subsidiaries is the Excelsior Life Insurance Company which is owned entirely by them and has been allowed to grow in Canada until it has become one of the largest life insurance companies. They have also been operating a branch office in Canada under the agency of Dale and Company of Montreal. It is interesting to note that part of Expo was insured by this company. Perhaps at the time of the incorporation of the company I should have asked the sponsor what aspect of Expo was insured by them, whether they issued insurance against inability to meet the deadline for the opening of Expo or whether it was insurance against fire losses.

It is a fact that for a number of years now this company has operated in Canada in both the life insurance and casualty fields. It is also true that for many years the Aetna Casualty Company has been operating from Hartford and has been under the control of the Department of Industry to the extent that it is covered by the foreign Insurance Companies Act.

I had the opportunity of talking to some of the officials of the company whom I found to be very astute businessmen. In my opinion they are not unlike the type of people we would want to run a Canadian company. They were of the opinion that it was going to be very difficult for them to meet the commitment which I think most people in Canada would like to see met by companies coming into Canada to do business. I think there are two types of companies. There are those that come here with risk capital, are willing to put up their money to do business in our country and are prepared to offer a large employment potential. Second, there are the companies which offer very limited employment but which accumulate large sums of money in a very short period of time. This money is advanced to the subsidiaries by the headquarters located outside of Canada at very small risk, and it is only necessary for them to have this money available.

We find in the bill that the incorporation of the company is asked for by a number of

lawyers. It seems to me that the fact that a lawyer who is resident in Canada is being asked to represent a new company proves that they are not really establishing a company but are setting up a holding operation for some other group. With the exception of Melvin Kirkland Kenny, an insurance executive, and Albert Bruce Matthews who is listed as an executive, I would presume the others are only acting in trust and are in fact what are called, in fairly vulgar vernacular, "fronts" for other persons. If we are really going to carry out what has been said to be the intention of the Prime Minister and certainly of the former minister of finance, that is, put this type of operation under Canadian control to provide funds for investment in Canada, then we should seriously consider this matter.

Clause 6 of the bill lists the fields in which this company wishes to operate. It is obvious that the money which is put up in the various fields will never be collected. This may even be true of automobile insurance where the rate of payment is much higher than in other fields.

Many of us wonder how long it will take the Liberal party, or whatever party may form the government of Canada, to make up their mind to enter the field of insurance and provide what is obviously a necessary protection for Canadians through the establishment of a crown corporation so that the money invested in such companies can be used for other purposes. This field has been partly covered by the Canada Pension Plan. I believe we are developing a pension plan that meets many of the requirements which were not previously met by insurance companies. One of these was the need for sums secured by life insurance policies to bear some relationship to the need of the person insured. It is a fact that during the depression people found it difficult to keep up payments of premiums on policies, and in many cases were forced to abandon their policies. After saving and scrimping for many years to meet the premiums of an endowment policy for $10,000 or $20,000 which during the depression years was probably equivalent to $100,000 today, they lost everything.

• (6:30 p.m.)

We have attempted to remove some of the abuse from the insurance field, particularly with endowment policies and pensions, and have appointed a government agency to administer the Canada Pension Plan. We have not done the same thing to cover such risks as hail, for example, or some of the other risks that other companies are covering, such as forgery, falling aircraft, explosions, earthquakes, automobile accidents, water damage, wind storms, and so on. These are risks which involve, in my opinion, a large premium. It is almost like allowing a company to print money.

That alone would be bad enough, Mr. Speaker, but we even let these companies come into Canada and speculate against the interests of our own people, who provide the money for this speculation in the form of premiums. The corporation concerned at the same time accumulates a large profit.

It is all very well for the hon. member who is sponsoring the bill to say that this money will not be taken out of the country. Certainly, I am sure the superintendent of insurance will see to it that enough money is kept in Canada to meet the commitments that these companies make. Nevertheless, in view of the undistributed profits and the reserves that these companies accumulate, in my opinion the government should control this field in the interests of the general public.

It is interesting to note that if you want, for example, to build a house in my area Central Mortgage and Housing Corporation will not lend money if the house is to be serviced with a septic tank. They do not say that a septic tank is undesirable, but they do say that too many septic tanks close together are undesirable, which is probably true. However, this corporation was not set up to decide on a national housing policy for Canada. The officials of Central Mortgage and Housing Corporation suggest that these people borrow money from insurance companies or trust companies if the house they want to build is to have a septic tank.

These corporation officials tell these people: "We are a crown agency set up to help you build a house. We will not let you build it where you want because, in our own small way, we want to restrict you or put a roadblock in the way of your building your house in this area". As a result, the insurance company enters the field and uses for mortgage purposes the money deposited with that company. The policy holders do not get any return from that investment unless, of course, they collect on their insurance.

Suppose I were to protect myself against forgery, Mr. Speaker. If someone gave me a bad cheque I doubt whether the amount would nearly equal the premiums I had paid to the company, particularly if I were a small businessman. Yet these companies are allowed to come into Canada and issue policies

of insurance, collect these vast sums by way of premiums, and then plough this money back in the form of mortgages and other instruments.

I attended a committee for most of the afternoon which was sitting in camera and doing a very good job. I found almost total unanimity about most of the work the committee was doing. I can remember that during the last five years I have stood in my place during this same hour and was criticized, browbeaten, told that I was stupid, was a communist, was a fascist, and so on, yet the same people who accused me of these things were sitting on that committee agreeing to matters which we legitimately tried to persuade them to accept four or five years ago. At that time we had absolutely no support.

I should like to see some of the members who sponsor these bills have the gumption to tell these companies that we in Canada are not interested in having all these insurance companies. We do not need a proliferation of 10,000 insurance companies. We are not going to solve the unemployment problem by having policy holders all over the country starving to death. If only these members would do this these companies which abuse the needs of the Canadian public would not receive incorporation from this parliament.

Aetna is proposing to cover risks which are already covered. I am not saying they are being dishonest or that the sponsor of the bill is being dishonest. I give both of them the benefit of the doubt by saying that they do not know any better. But the sponsors of these bills are not telling the Canadian people what these companies are doing. This bill concerns the Aetna Insurance Company of Hartford, Connecticut, which wants to set up a company in this country with a board of directors composed of four or five Canadians in order to comply with the terms which have been laid down for the incorporation of such companies. The bill says that the capitalization of this company shall be $5 million, divided into shares of $50.

Aetna Insurance Company of Hartford, Connecticut, could set up a thousand insurance companies tomorrow on the strength of the companies they already own. They are not selling $5 million worth of stock divided in $50 shares. This stock will never be sold; it will probably never appear on the market. It does not need to be sold because the company itself could put up that sum tomorrow.

• (6:40 p.m.)

They have already done so. They came here some years ago and established the Excelsior Life Insurance Company. It grew into a very large and responsible company and it had no difficulty about raising money at any time. Surely hon. members should give some consideration to what is done with these large sums which these insurance companies accumulate. Suppose our old age pensioners were receiving $25 more than they needed, and put this amount of money away under their mattresses. I believe we should soon find ourselves in serious trouble. I heard the Minister of Finance (Mr. Sharp) say that the cost of raising old age pensions would amount to $800 million—a terrible sum. Well, we covered about three quarters of the amount proposed, and the cost amounted to about $200 million. As I pointed out, most of this goes back to the government in a very short time after three or four transactions. Suppose this extra money were placed in the hands of an insurance company. It would be the same as putting it into savings. It is true protection is provided, but much of the money has to be held. This money is reinvested by the companies. It is this investment which makes money, not the insurance.

The companies are not investing their own money. If the company which is making this application wished to come to Canada and invest on the stock market, it could do so. But it would have to put up its own money, and it has no intention of doing that. These companies intend to accumulate your money, and my money, and then invest it at the highest possible rate of return.

I believe the day will come when the government—and I can only look to the Liberal government—will really believe in what they have been telling us is their policy. They have stated they would like to buy Canada back but that they want to do it quickly and with as little disruption as possible. The only disruption in the banking world so far has been in connection with Mercantile. I sat on the committee, or, rather, I sat in at some of the hearings—I was not a member of the committee—

Mr. Speaker: Order. The hon. member's time has expired. He may continue if he has the unanimous consent of the house.

An hon. Member: No.

Mr. Ian Wahn (St. Paul's): My hon. friend from High Park, who is unavoidably absent, has asked me to reply to the points raised in this debate.

Mr. Speaker: It may be that we have not yet reached the point at which the hon. member will be called upon to perform that duty.

Mr. John Gilbert (Broadview): I have just listened to the eloquent speech of the hon. member for Timiskaming (Mr. Peters). He convinces me he has a deep grasp of this subject. In addition, I have read the speech which was made by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) and this, too, appears to me to be most penetrative and persuasive.

This places upon me and other members of the house a duty to explore this field much more thoroughly and therefore I move, seconded by the hon. member for Nickel Belt (Mr. Fawcett):

That this bill be not now read the second time but that it be read a second time this day six months hence.

Mr. Peters: I would defer to the hon. member for St. Paul's (Mr. Wahn) if he wishes to comment. Otherwise I rise to support the amendment which has just been moved.

Before this motion was introduced I was saying that I was impressed, after listening to the proceedings of the banking committee, to find that the government had no objection to limiting Canadian banking institutions to those which were under Canadian ownership and control. This attitude is understandable when we recall that during the last election there was evidence of considerable interest on the hustings in my riding and, no doubt, elsewhere, in the development of Canadian nationalism in economic matters. This particular banking institution was given only a short period of time in which to decide whether to expand, sell, and become Canadian, or take the other alternative. The situation somewhat resembled the situation in Cuba when the government there changed and the American Fruit Company found that some of its practices were no longer allowed to go unchallenged. The government said: You have the right to get out, and we will buy you out at our price.

The remarks of Mr. Rockefeller at the committee hearing indicated he felt there was a similarity between the methods used by the two governments, one a banana republic and the other a staid, responsible country like Canada. But let us consider the position of these insurance companies. Here is a well established company asking for permission to set up a Canadian organization under Canadian ownership and control. I am not saying there is anything wrong about this; it is what we decide to do about it that matters. One of the hon. members opposite stands up here and says that the board of directors will be composed of Canadians. A small number will have voting rights and the others, presumably, will sit there and be unable to influence policy very much, if at all.

I wish I had been educated in the ways of the business world, for I have often wondered what happens in these situations when one or two people own all, or almost all, of the stock in a company. They are always on the board of directors, if they choose to be so. If they want to be presidents, they always are. And if they say "This is the way things should go", that is the way things are done.

• (6:50 p.m.)

I can think of some of the gold mines I have known where someone who was able to buy the largest block of stock called a shareholders' meeting and said, "We will close down this mine and distribute the money that is in the bank." I remember one little company which did this, Lakeshore Mining. I do not really understand this type of operation, but from my limited knowledge of the actual practices these four gentlemen from the United States will in effect be the whole company because they will make all the decisions. The hiring of Canadians to fill the rest of the spaces is just complying with our government's policy on matters of foreign ownership and controlling our own economy.

I also note that the people who introduce these bills are mostly lawyers. I have often heard it said that the legal profession—

Mr. Wahn: I rise on a point of order. It seems to me, Mr. Speaker, that this speech is merely a continuation of the remarks which the hon. member made earlier. He exhausted his time before the amendment was moved, and I am sure in his usual straightforward manner the hon. member for Timiskaming (Mr. Peters) would admit quite cheerfully that the amendment which has been moved by some of his colleagues was moved merely as a device to permit him to extend his time beyond that allotted by the rules, and filibuster the bill before the house. In the circumstances it seems to me this is a device that is out of order, unless the hon. member for Timiskaming indicates that that is not his intention.

Mr. Speaker: Order, please. Perhaps I might remind the hon. member that he should not suggest that the member who moved the

amendment had ulterior motives. The amendment speaks for itself and I would think the speech which was being made by the hon. member for Timiskaming (Mr. Peters) is quite in order.

Some hon. Members: Hear, bear.

Mr. Peters: Mr. Speaker, I was just pointing out that most of these bills are introduced by lawyers. It is a very closely knit little club. If I were a lawyer maybe I too would be in a position to move this kind of bill, or as many bills of this nature as I wished. I have noticed the number of lawyers listed as members of the boards of directors in the last two or three bills in which I have been interested. In this one we have Albert Bruce Matthews, an executive, Melvin Kenny, an insurance executive, John Hamilton Cameron Clarry, described as one of Her Majesty's counsel, which I presume means he is a Q.C. and lawyer, Granville Patrick Harcourt Vernon, also one of Her Majesty's counsel, Peter Greer Beattie, solicitor, and Stephen Clifford Smith, solicitor, all of the city of Toronto in the province of Ontario.

This must be a nice little game because each of these companies has four or five lawyers as directors. If I could make some use of this kind of operation and I was a lawyer, all I would need to do is to be appointed to a number of boards. I could attend their meetings if I wished, but I would not have to attend because I would not have anything to say. I would only be on the board because I was a Canadian, owning ten shares or something like that. Possibly some hon. members may be thinking that they will be defeated eventually in an election and it would be nice for them to be considered in this group.

The point I am making is that we are not interested in merely having Canadians on the board of directors. We, in this group, would like to have Canadians on the board because we believe that eventually the Canadian business community must have the overriding interest in things Canadian. When an insurance company such as this makes an application for a charter to collect money, that money should be used for the benefit of some Canadian enterprise, be it in the mortgage field or insurance protection field.

Obviously the money that is collected does not all go into protection. Any insurance company that collected $1 million and paid out $1 million in claims would not be coming to Canada or anywhere else. If it is a business operation it collects $1 million, pays out much less than that in claims, and invests the rest.

The President of the Privy Council (Mr. Gordon), and the Minister of Trade and Commerce (Mr. Winters), the first in his book on economic prospects and Canadian development, and the second in speeches in this house, have said that companies must be good Canadian corporate citizens. I think the Canadians being appointed to many of these boards are not necessarily good corporate citizens. They are citizens who are being employed for a specific purpose.

The day must come soon when we strengthen our Department of Insurance and make it responsbile for recommending what insurance companies should be added to the present total. The Aetna Casualty Company will not do one thing in Canada that cannot be done by some company already established. If it were to offer one kind of insurance that nobody else offers, it would serve a need and would deserve consideration. But I think we must all agree there are hundreds if not thousands of insurance companies in Canada today supplying exactly the same kind of insurance that this company will provide. Thus we are not doing a good service by incorporating this company.

[*Translation*]

Mr. Speaker: The hour appointed for consideration of private members' business has now expired.

[*English*]

The house will now revert to the business interrupted at six o'clock.

CAPE BRETON DEVELOPMENT CORPORATION

PROVISION FOR TAKING OVER COAL UNDERTAKINGS, DEVELOPING INDUSTRY, ETC.

The house resumed consideration in committee of Bill No. C-135, to establish the Cape Breton Development Corporation—Mr. Pepin—Mr. Ryan in the chair.

The Acting Chairman (Mr. Ryan): As it is seven o'clock the committee is suspended until eight o'clock.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order. House again in committee of the whole on Bill No. C-135, to

establish the Cape Breton Development Corporation, clause 17 and the amendment thereto by the hon. member for York South.

Mr. MacEwan: Mr. Chairman, may I say first that I am in agreement with the amendment put forward by the hon. member for York South in that it goes to the heart of the subject which I have presented to the minister on previous occasions, when the bill was before the house at the resolution stage, on second reading and in committee. The wording of the amendment is:

—to provide alternative employment for employees of the corporation who may be laid off as a result thereof.

This is the wording which is suggested should be added to clause 17 (4) (b).

If the mine in the constituency which I represent, which is one of the Dosco mines, had been included by the minister in this legislation, if the wording as suggested by the amendment of the hon. member for York South should be adopted, the employees of that mine of course would be ensured of the protection which would be provided by the amended clause.

As has been pointed out earlier in the debate—and this bears repetition—a telegram dated today was directed to the Prime Minister and undoubtedly also to the Minister of Energy, Mines and Resources as well as to members from the area, from the president and other officers of the United Mine Workers of America, District 26. I think this should be put on the record. It was referred to earlier during the question period. I will read it quickly:

United Mine Workers of America District 26 shocked and dismayed over federal Bill C-135 to exclude McBean mine in the proposed crown corporation.

What follows refers to something I mentioned during the resolution stage:

This action completely contradicts Prime Minister's statement December 29, 1966—

The quotation is taken from the minister's statement.

—when he said and I quote:

Assured of the participation of the government of Nova Scotia, the government of Canada is prepared to ask parliament to establish a suitable crown corporation—the composition and powers of which will be defined by the two governments at an early date—to acquire, reorganize and manage the coal mining interest of the Dominion Steel and Coal Corporation.

That is the end of that part of the quotation. The telegram continues:

[The Chairman.]

This automatically includes Acadia, which is a subsidiary of Dosco.

Then there is another quotation from the Prime Minister's statement:

The government of Canada and the government of Nova Scotia believe that a rigid adherence to a fixed timetable to reduce the level of coal production might involve unnecessary hardship on the dependent communities. Consequently the rationalization of the mines will be related to the success in the introduction of new industries.

That is the end of that quotation.

So that McBean or any other colliery would have to be kept in operation until new industries were introduced to provide alternate employment as promised by Prime Minister Pearson. Further on in the Prime Minister's statement he indicated that the government of the province of Nova Scotia would be held responsible for the smaller independent operations and the federal government would be responsible for the Dosco mines which automatically again includes McBean.

Then the telegram concludes in this way:

The officers of District 26 United Mine Workers of America urgently request a meeting of representatives of the federal government, provincial government and the United Mine Workers of America District 26 to clarify this misunderstanding.

May I repeat that if this mine had been taken in along with the other Dosco mines as was promised, this clause, of course, would apply and, if the amendment of the hon. member for York South is passed—I hope it will be and I commend it to all members—the workers at this mine would be guaranteed alternative employment.

When I asked the minister a question about this mine he said at one point that it would cost approximately $2 million to continue it to the end of 1967. At another point he said that perhaps this money should be used to continue the mine and at another point he said that perhaps it should be used for another purpose.

We do not know whether he will be the minister, but he has also stated that perhaps it will take close to three months or five months to get the corporation working. As I said before, the Donald report suggested that there should be resources from this mine until 1970. We are not clear what the minister has said, but if this mine were taken in under the terms of clause 17, as was promised by the Prime Minister on December 29 of last year, then these miners, the men working on the surface and, the office staff would be protected.

Yesterday I referred to a telegram from the New Glasgow and district labour council which suggested there should be alternative

employment. Today I received a telegram from the president of local 8672, which is the United Mine Workers sub-district 3 at Thorburn. This telegram is signed by James A. Murphy and it reads:

• (8:10 p.m.)

On behalf of the membership of local 8672 United Mine Workers sub-district 3 this is to protest that the McBean colliery was not included in the taking over of the mines by the federal and provincial governments according to the *Chronicle-Herald.*

I also received a telegram from local 510-A of the Canadian Brotherhood of Railroad Transport and General Workers which represents some of the officials at this mine, including shotfirers and examiners. It is signed by the president who points out that 400 men are relying on myself, this house and this government to provide alternative employment and to give some clear picture of what will happen to these men.

For this reason I submit that the McBean mine should be included for coverage under this legislation and that this amendment should be carried by a strong vote.

Mr. Muir (Cape Breton North and Victoria): Before the dinner hour I stated I was fully in accord with the amendment moved by the hon. member for York South. In the interval I had an opportunity to look over some documents and I should like to place one of them on the record to further enlighten the minister as to what the United Mine Workers think about this situation. Let me first of all endorse the representations put forward so ably by the hon. member for Pictou regarding the inclusion under this legislation of the McBean mine.

The hon. member for Pictou quoted from the Prime Minister's statement of December 29, and I think at least a portion of it bears repeating. He said:

Assured of the participation of the government of Nova Scotia, the government of Canada is prepared to ask parliament to establish a suitable crown corporation—the composition and powers of which will be defined by the two governments at an early date—to acquire, reorganize and manage the coal mining interests of the Dominion Steel and Coal corporation—

When the minister replies I hope he will advise when the McBean mine became an orphan of the Dosco family, or when this division took place. I understood the McBean mine was operated by the Dosco corporation or the Hawker-Siddeley group. We now are receiving telegrams from representatives of the unions concerned, and for the information of the minister, in case he has not heard of this previously, I should like to read him a news item from the Cape Breton *Post* dated Tuesday, June 13, 1967. It is headed "Marsh is Critical" and it reads:

U.M.W. president Bill Marsh said Monday he was disappointed the union was not consulted prior to introduction of legislation establishing the Cape Breton crown corporation. The legislation is scheduled to go before the House of Commons this week. Speedy approval by all parties is anticipated.

"We are pleased of course the legislation, at long last, is ready for approval," Mr. Marsh said. "However, we also are disappointed the union was not consulted, particularly after we learned that the company's general manager was called to Ottawa on Monday."

The article then refers to the opening of a new colliery at Lingan, which of course has been assured by the Minister of National Health and Welfare on a number of occasions on political broadcasts and telecasts. This has also been repeated and reaffirmed by the Prime Minister and the Minister of Transport. Only the other evening he nodded his head in agreement when I asked whether we were going to have a new mine opening at Lingan. Yesterday evening the minister of mines said that if the Cape Breton development corporation saw fit, it might open a new mine at Lingan. We hope that this new mine will be opened.

Is it correct that representatives of the company were called in to discuss this legislation, and is it correct that no invitation was extended to the district officers of the United Mine Workers of America, district 26? I am sure that had they been invited they would have made their point very clear in respect of the McBean mine. In that event I am sure we would not be having this discussion tonight.

When the minister rises to answer the criticisms and representations in respect of the McBean mine and the amendment that has been proposed, I hope he will advise us why representatives from the United Mine Workers were not called in for consultation regarding matters to be included in this legislation. After all the statements which have been made by the people who are supposed to be in responsible positions, I fail to see how this government can make statements such as were made prior to the federal election which took place on November 8, 1965, particularly when they are now backtracking and weaseling out of their commitments.

Mr. Pepin: Mr. Chairman, I should not like to appear to be scolding hon. members because that is not my intention, but if we keep on repeating the same arguments, I dare say

we will be here tonight, tomorrow and the day after. Those who will suffer are not in the city of Ottawa.

I have been as explicit as I can about the McBean mine. I repeated my position at noon today, and I suggest the hon. member for Pictou now understands the situation. The economic situation in Pictou county is not the same as the situation on Cape Breton island. We are intervening in Cape Breton because there is a situation which is of national concern and importance. As I said at noon, if we are going to pick up mines all over Nova Scotia and possibly New Brunswick, why not in northern Quebec and northern Ontario where some are having some difficulties too? While we are at it, why not pick up a couple of coal mines in Newfoundland which are also in difficulty?

Mr. MacEwan: You do not know much about mining.

Mr. Muir (Cape Breton North and Victoria): What about the Dosco mine?

Mr. Pepin: The point I am making is simply that the federal government is not in the business of taking over coal mines which have come to the end of their reserves. That is not the purpose of this program. The purpose is to remedy the situation which exists on Cape Breton island. If parliament feels we should do something elsewhere in Canada, we will do so on some other occasion, but at this very moment the dramatic situation on Cape Breton island is our problem.

• (8:20 p.m.)

This afternoon the hon. member for York South was questioning the value of the words "as far as possible" in the legislation. I think he is splitting hairs. Even in old, medieval French law there is an axiom which says:

"A l'impossible nul n'est tenu."

I am quite sure the hon. member for York South does not want to hold this corporation to the impossible. I think it is quite enough to hold it to the possible. The corporation will do whatever is possible to help the people of Cape Breton. The corporation will improve on the situation and rescue what is rescuable in the coal mining operation. It will do whatever it can to develop, improve and modernize the industry.

We are going to have an industrial division which will be busy attracting industry to the area. It will have a certain amount of money for this purpose. Twenty million dollars will be given by the federal government and $10 million by the government of Nova Scotia to assist in this action. If this is not enough, the house will see to it that more money is made available. We are establishing the principle that every dollar saved on the coal mining side will be devoted to economic development.

The legislation has been drafted to provide for whatever is possible. We made it as flexible as is humanly possible so that the corporation might attract good men. I have already given the guarantee that we will obtain the best men possible in this field. We have to trust these people. We do not have to tell them tonight, item by item and comma by comma, what to do. This is not the kind of people we want to have in the development corporation. They might not even look too closely at the legislation but will use their common sense. The legislation is just to help them get the message the government has in mind.

I am quite sure it is impossible for the corporation, to quote what the hon. member for York South said, to make sure that every worker leaving the mines will find a job at the same place the very evening he is laid off. This is not possible.

Some hon. Members: Hear, hear.

Mr. Pepin: I believe that the amendment now proposed will have the effect of confining the industrial approach vis-à-vis the coal mining work force. The present wording of the clause fulfils the concept of the bill in that it relates employment opportunities to the entire area, including the young people coming onto the labour market. The hon. member for York South would like us to specify the coal employees who would benefit from this legislation. We are even more ambitious than that. We want this corporation to have a direct influence on the economic development of the island, which will make it possible, "as far as possible," for young people born and raised in the area to stay there and find worthwhile employment on the spot.

I really beg hon. members not to start splitting hairs and try to add a comma and a word here and there. Professors of law say that the spirit of the legislation is more important than the word. My hon. friend from York South is a good lawyer and should understand that. We are not here tonight to dissect this legislation as Benedictines used to do in medieval times with the Bible.

Some hon. Members: Hear, hear.

Mr. Pepin: This is not a medieval study of the Bible; this is a piece of modern legislation. The purpose of the legislation is to do whatever is possible to help the people of Cape Breton; and the good Lord knows they are in need of help—and now.

Some hon. Members: Hear, hear.

Mr. Douglas: Mr. Chairman, the minister has allowed his eloquence and exuberance to carry him away.

Some hon. Members: No.

Mr. Douglas: He is debating now like a high school student—

Some hon. Members: Shame.

Mr. Douglas: —when he tells us that the spirit of the legislation is what matters and it is not the words that matter. The minister is asking this house to approve legislation, and the words are important because the words set down the terms and conditions under which this corporation will operate. The words determine the powers the corporation shall exercise. We are not trying to obstruct the minister; we are trying to see that the powers given to the corporation carry out the spirit of the undertakings which the Prime Minister gave to the people of Cape Breton, to this house and to the country in his speech of December 29 last and the promises that were made by the member of the cabinet who represents the province of Nova Scotia.

This bill has been a long time coming. The minister need not complain about the few hours we have taken to discuss it. We have been waiting for months to get some action in this regard. It is more than a year and a half since the Minister of National Health and Welfare made very sweeping promises to the people engaged in coal mining in Cape Breton. We have been waiting ever since for the government to do something. Therefore, the minister need not complain now when after this long delay he brings before us a piece of legislation and we want to know exactly what the government has in mind. We want the legislation worded in such a way that we will not be told afterwards that because of the wording of the legislation the Cape Breton Development Corporation is not able to do the things we were given to understand it would do.

I am not going to belabour the point to the minister if he is adamant that he will not change any of the wording of the bill. But once again I make the plea in respect of the McBean coal mine. The minister says he does not want to go grabbing mines all over the country. I do not think he is grabbing any mines when he takes over the mines in Cape Breton. He is relieving Dosco of a very serious headache, presumably for the purpose of making it a little easier and lessening some of the hardship which would otherwise fall upon the people employed in the coal industry of Cape Breton.

We are not asking the minister to grab mines all over the country. What the hon. member for Pictou, the hon. member for Cape Breton North and Victoria, the hon. member for York South and others have been pleading with the minister to do is recognize that the McBean mine is part of the Dosco operation. It is no secret that Dosco has been phasing out its coal operations in Cape Breton. Has the minister any reason to think that Dosco will continue to operate the McBean mine at full capacity, or is it going to be phased out too?

Mr. Pepin: Mr. Chairman, I do not know whether the hon. member wants an answer; but I know one thing, that we have offered Dosco a continuation of subsidies at the present level. The decision is, of course, theirs.

Mr. Douglas: That the subventions will be continued?

Mr. Pepin: Yes.

Mr. Douglas: On the McBean mine? But the subventions, of course, have been available for the mines in Cape Breton and this has not kept them from being slowly phased out. All we are saying is that surely the government ought to look ahead, and if the McBean mine will be in a similar position to the mines in the Sydney, Glace Bay and New Waterford areas, would it not be advisable to include that mine in this program? It is not likely that Dosco will keep this one orphan operating at full capacity, when it has managed to dispose of its other coal mines to this Cape Breton Development Corporation.

• (8:30 p.m.)

For that reason I think the minister should give serious thought to the advisability of including the McBean operation under the auspices of the Cape Breton Development Corporation. I do not know what discussions district 26 of the United Mine Workers had with the government, but certainly judging from the telegram from which I quoted during orders of the day they were under the impression that the McBean mine was going

to be included. They seemed to be surprised and shocked at the fact that the government has not kept its commitment. Certainly, if one reads the press release which was issued from the Prime Minister's office on December 29 one gets the impression that the new Cape Breton Development Corporation was going to deal with all the mines owned by Dosco in the general area of Nova Scotia.

I hope the minister will give serious thought to this. There is nothing much one can do if the government is adamant, although I had hoped the government would have given the coal miners an opportunity to make representations before making a final decision. I hope the minister will propose, before we come out of committee of the whole, some all embracing clause in the bill which would enable the government at a later date to include the McBean mine, if it is not prepared to include it now.

May I say to the minister that what I greatly fear, if the bill passes in its present form, is that the government may well find within six months or a year men are being laid off at the McBean mine. We will then be told, when we raise the matter in the house, "the bill is passed, there is nothing we can do about it." I wish the minister would give some thought to the possibility of an all inclusive clause which would allow the Cape Breton Development Corporation to extend its operations to any other mine in the general area, by order of the governor in council, if it were thought advisable to do so.

May I say a word or two about the matter of the amendment proposed by the hon. member for York South. He is not suggesting for a moment that we ask any corporation to do something which it is not possible to do. I think the minister must recognize that this committee is most anxious that the guide lines laid down for this corporation shall be most explicit. Certainly, one of the guide lines that is in keeping with the promises made by the government, as contained in the statement of the Prime Minister of December 29, is that there should be a direct relationship between laying men off from the coal mines and the establishment of new industries.

On page 3 of the press release which the Prime Minister's office issued on December 29 I read:

> The government of Canada and the government of Nova Scotia believe that a rigid adherence to a fixed timetable to reduce the level of coal production might involve unnecessary hardship on the dependent communities. Consequently, the rationalization of the mines will be related to the success in the introduction of new industries. The Crown Corporation will be instructed to give full consideration to the need for orderly adjustment, including the implementation of a generous early retirement plan for the miners as recommended by Dr. Donald.

I draw particular attention to the phrase "the rationalization of the mines will be related to the success in the introduction of new industries". That is all the hon. member for York South is asking, that there be a rigid adherence to the principle that mines will not be phased out until the corporation has assured that new employment opportunities have been created in that community to provide jobs for men who are laid off from the coal mining industry.

So far, apart from a considerable display of emotionalism, the minister has not given us any reason for not accepting this amendment.

Mr. McLean (Charlotte): Would the leader of the New Democratic party favour an increase in the price of gold in order that our gold mines may be kept open and the miners employed for better wages?

Mr. Lewis: Mr. Chairman, I should like to take two or three minutes to reply to the very charming and irrelevant remarks which the Minister of Energy, Mines and Resources made with regard to the amendment which I laid before the committee. The minister attempted, and he did it very well as he has always done, to teach me something about the law. I am sure I can learn a great deal. When he made the statement that it is the spirit of the law that matters, or even when he said that it is even more important than the word, let me tell him that it is the words of the law which create the spirit. The spirit does not come out of somebody's pocket. When he tells us that it is not necessary to dot every "i" and cross every "t", let me tell him that I am not asking him to do that.

When he tells me that we have a group of men who will be good, then I say we are always faced with this. When the men and women are already appointed and we suggest that some guidance should be given to them, we are accused of lacking confidence in them. When the men and women have not even been appointed and we do not know who they are, we are asked to act on the assumption that they will have not only common sense but the wisdom of the Almighty and that this legislation need not give them the guidance that is required. In any case surely the speech which the minister made was a contradiction of his own law. If he had used his excellent mind as well as his silver tongue and if he was

right, then why is there any need for subclause (4)? What is the need for this subclause if he is ready to leave it to the common sense of the board of directors of the corporation? Why does he need to tell them that they should follow the plan? I say to him that one purpose of a law is to give to the people with whom the law is concerned confidence that they are obtaining right and just treatment under the law. When the direct and specific instructions to the corporation, instructions which are to govern the reduction in the production of coal in the Cape Breton area, are understood by the mine workers and members of the community to mean that the corporation is to be concerned about the reduction so far as possible of any unemployment or economic hardship, then people in Cape Breton have a right to suspect, as I must admit frankly I suspect, that the board of directors of the corporation is instructed to follow the usual commercial criteria in deciding whether or not coal production will be reduced. I say to the minister that this is what the corporation should not do, and in his announcement the Prime Minister said that it was not to do that.

I told the minister that I am not particularly wedded to the language I placed before the committee. If his advisers can produce better or other language, I would not quarrel with them. I say that the instructions to the corporation should repeat in specific language the principle which the Prime Minister stated lies behind this and the principle which is included in subclause (1) of this clause, namely that the reduction in the production of coal must be geared to the creation of alternative job opportunities for the people affected thereby.

This is what my amendment seeks to do. The emphasis is not on ensuring that there be as little unemployment as possible but on ensuring that there will be job opportunities for the people who are affected by the reduction of coal production.

• (8:40 p.m.)

I do not need the lecture on the meaning of the law from the minister, nor does the committee. What this committee needs from the minister is acceptance of—to me—the obvious necessity for the inclusion in the bill of specific instructions to the corporation which embody the general principle that there is not to be any phasing out in the coal industry except when job opportunities have already been created. There may be a few workers in any given situation who cannot be accommodated, but this contingency is, of course, met by the opening words of the subclause—"all reasonable measures".

May I come back to the words of the minister, which are important and were sufficient to get his party stalwarts to bang their desks. If the spirit of the law is important, the spirit of the subclause that he has put into the law is, I submit, the wrong spirit. This is a spirit which emphasizes unemployment and economic hardship, instead of the right spirit which is to emphasize the importance of providing alternative employment. This, Mr. Chairman, is what we are talking about.

If the minister is as concerned as he says he is about the general conditions in Cape Breton, and if he is as determined as he says he is that this corporation is to gear new jobs to phasing out, why does he refuse to accept this amendment, not necessarily the present wording but the principle of it, which would give specific instructions to the corporation? His refusal to do so strengthens my conviction that this amendment is necessary.

Mr. Churchill: Mr. Chairman, my conviction that the amendment is necessary has also been strengthened. I have listened very carefully to the debate that has been going on about this matter. I listened to the impassioned outbursts of the minister, who, waving his arms and hammering his desk to arouse his followers, expressed his sentiments of interest in the people who are going to be displaced from their work in Cape Breton. But impassioned outbursts are not what we want with legislation of this nature. What is required is a much more realistic view of things. Never mind these eloquent speeches about what the Liberal government is going to do; let us have a realistic appraisal of the very sensible amendment that has been proposed.

We must not forget, Mr. Chairman, that this bill has been produced by the Liberal government, and that anything that the Liberal government produces by way of legislation must not be altered. Fortunately, there are one or two members of the present government who do listen to reasonable suggestions from this side of the house, but just look at what the minister has done with this bill. He has written into the bill that there will be unemployment, and he has written into the bill that there will be economic hardship. This is what he is telling the people of Cape Breton and Nova Scotia, that there is going to be unemployment despite the corporation that is to be appointed to take over certain mines and attempt to rehabilitate the coal mining

industry; that there is going to be economic hardship.

That is a message of despondency and surely will not be of any comfort to the people living in that area. The proposed amendment puts things in a positive fashion and, as has already been pointed out, there is the safeguard that all reasonable measures have to be taken to provide employment for people who are displaced by reason of changes that are made in the coal mining industry.

This amendment, Mr. Chairman, does not alter at all the general purpose of the bill. If this amendment were adopted it would express the intention of the house as a whole to give assistance to the coal mining industry and to the employees of that industry in Cape Breton. That is what we are attempting to do through this legislation.

I, therefore, ask why the minister cannot go a step further and use positive terms, instead of proclaiming to the people of that area that they are going to face unemployment and economic hardship? They are familiar with these things, and we are hoping to lift them from their shoulders.

The minister would certainly gain much greater acclaim from this side of the house as well as from the claque behind him if he would take this further step and embody this positive affirmation, instead of stubbornly insisting on phraseology which was carelessly put into the bill in the first instance. Just why a government cannot change its mind and accept suggestions from other people in the house always amazes me. This suggestion has been made in good faith, not with the intention of embarrassing the government. This amendment has been made with the intention of improving the bill and having the bill express what is the intent of the House of Commons.

I have never been impressed with repeated statements on the government side that everything that they intend to do should be taken in good faith, that we must trust them and that those who are put in charge will surely do everything for the betterment of the people who are under their jurisdiction. Why not write this statement into the bill, Mr. Chairman?

Consequently, Mr. Chairman, despite the eloquent plea of the minister, which I dismiss as lacking argument and as being only an emotional outburst, I propose to support the amendment.

[Mr. Churchill.]

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, I rise at the risk of incurring the wrath of the excitable and temperamental minister, but I find it necessary to say something in reply to his remarks.

I was really touched when he burst out in his full eloquence and crocodile tears flowed because of his worry for the coal miners, their families and others on Cape Breton Island. Nevertheless, I draw his attention to what was said one year and eight months ago when the cabinet representative from Nova Scotia made the initial statement in connection with this policy. To be explicit, the original statement was made on October 5, 1965, and then on December 29 the Prime Minister issued his policy statement. In effect, this is what we are debating, and I might point out that we have only been discussing this bill for a few hours. It seems to me, Mr. Chairman, that when the Liberal party forms the government it is a shocking thing for someone to criticize them or even suggest that a piece of legislation be changed.

• (8:50 p.m.)

This is the whole theory—we know what is good for you; we have written this and no one must question it. We are not trying to delay legislation. We have only been debating this subject for a few short hours. The minister himself has said that this legislation is unique, that it is something entirely new. For this reason I do not see why he should not at least listen to us, and listen to us with a good heart, rather than become very excited and think: "I will lecture those creeps; they do not know what it is all about." As to some of those behind him, they are like the Minister of Fisheries' seals—they flap their flippers just because the minister raises his voice and gets excited. Surely, there is nothing wrong about the hon. member for Pictou or the hon. member for Burnaby-Coquitlam or the hon. member for York South or any other hon. member suggesting that there could possibly be some slight error in some part of this legislation.

Subclause 1(d) of the clause we are now discussing contains the words "to reduce as far as possible any unemployment or economic hardship that can be expected to result therefrom". As I understand it, the amendment which was moved by the hon. member for York South sought to substitute the words "to provide alternative employment for employees or members of the corporation who may be laid off." As I said before the dinner hour, I had an amendment prepared which

would have replaced the present wording by the words "to ensure that no displacement of employees will take place without alternative work being provided."

Regardless of all the quotations the minister makes or how far back in history he wants to go, or the loud voice he uses, we are only trying to ensure that those people who will be removed from their positions as a result of this legislation shall be assured of alternative employment—not six months from the day on which they are removed, or two weeks afterwards, but as soon as possible, or immediately. Let hon. members opposite remember their slogan in recent elections—"We have the answers". All right. Let them produce the answers, now.

I appeal to the minister to give consideration to the amendment which is proposed. He must realize that the unemployment rate in the maritime provinces is double the national average. In addition there will now be further displacements. Every year on an average 1,500 people newly seeking employment come on to the labour market. This, in turn, increases the problem we face. I believe it was President Eisenhower who said that in politics everything should be taken seriously—except oneself. I would commend that advice to the minister. Up to the present the hon. gentleman has shown himself in all his dealings with us to be most reasonable and courteous. Tonight he goes off into the deep end, as if to say: Stop your talking; you are only saying what you have already said before.

Some hon. Members: Hear, hear.

Mr. Muir (Cape Breton North and Victoria): It must be wonderful, of course, to have the capacity that the minister thinks he has. He possesses all the brains there are in this chamber and no one else must suggest even one little change in the legislation.

An hon. Member: Oh, come on.

Mr. Muir (Cape Breton North and Victoria): I hear hon. members over there continuing to heckle. The miners of Cape Breton and their families, together with all the other people who are not directly involved but whose sympathies belong with the miners, will not be concerned about their heckling and sneering. They know we are trying to do something effective, that we are trying to do something which will assist them. They will know, from *Hansard*, that you are not interested in trying to help these people by making any changes. The government sets itself up as knowing what is best for the people. The Walter Gordons, and the people who write books, say "We know what is best for you; it is best for you because we say so." The minister may be a professor of political science but I am afraid he has got a hell of a lot to learn about human nature.

Some hon. Members: Oh.

Amendment (Mr. Lewis) negatived: yeas, 42; nays, 54.

The Acting Chairman (Mr. Tardif): I declare the amendment lost.

Clause agreed to.

The Acting Chairman (Mr. Tardif): Shall we revert to clause 16?

Some hon. Members: Agreed.

On clause 16—*Powers.*

Mr. McCleave: Before I make my proposal, one which I think is very modest, I should like to compliment you, sir, on your presence in the chair and I should like to thank the hon. member for Cape Breton North and Victoria, as well as the minister, for holding up this clause while I was at the joint committee on divorce this afternoon and unable to be here.

• (9:00 p.m.)

I proposed an amendment last night and I think the minister accepted it in principle. It was to make absolutely sure that the corporation could open new coal mines if necessary. Unless the minister indicates otherwise now, I do not intend to speak further, but simply propose the following amendment:

That clause 16 on page 8, line 10, be amended by adding the word "open" after the word "improve",

This clause would then read that the corporation could rehabilitate, improve, open, operate and maintain any coal mines.

The Acting Chairman (Mr. Tardif): Is the committee ready for the question?

Mr. Pepin: Mr. Chairman, we are agreeable to the amendment. We are very ready to accept amendments that clarify and that do not try to minimize the extent of the legislation.

Amendment agreed to.

The Acting Chairman (Mr. Tardif): Shall clause 16 as amended carry?

Cape Breton Development Corporation

Mr. Churchill: Clause 16 (a) says that the corporation may:

—by agreement with any party to a contract for the sale or delivery of coal....assume all rights and obligations of Dominion Coal Company, Limited—

Does this mean that present contracts may lapse or would be subject to renegotiation when the new corporation is established?

Mr. Pepin: This part provides authority for the corporation to take over the coal sales contracts of Dominion Coal Company, of which two are long term—one with Ontario Hydro and the other with the Nova Scotia Light, Heat and Power Company. There is also a coal shipping contract with the Upper Lakes Shipping Company. There is also something in the agreement between Canada and Nova Scotia which says Nova Scotia will endeavour not to disrupt the market pattern which presently exists for these coal mines in Nova Scotia.

Mr. Muir (Cape Breton North and Victoria): May I ask the minister if he would be so kind as to advise how long the contract has to run that is held presently with Ontario Hydro? I am referring to the one negotiated by the late Hon. George Nowlan and the Chairman of the Dominion Coal Board some years ago. I think it was for a period of five years.

Mr. Pepin: I understand it has one more year to go, with provision for another five year extension. It is quite obvious this is one of the most assured markets that the corporation will want to protect.

Clause 16, as amended, agreed to.

On clause 18—*Pension arrangements.*

Mr. Lewis: Clause 18 requires the corporation to provide pension plans, first for employees and dependants, and second for former employees of these companies, or in other words, those who are now on pension. As I understand it, the intention is that there be no break in the pension of those who are now on pension.

On the basis of some experience in the field of pension negotiations, what concerns me is a tendency in many quarters to put the pension for former employees at a lower level than the pension for present and future employees. Normally, there is a tendency for an employer to say, and understandably so, "I was not the employer when these people were given the pension. I do not see why I should carry the responsibility to treat them in precisely the same way as I am prepared to treat those who now work for me and who will in the future work for me." I am not saying that the corporation will necessarily take that kind of view, but the legislation should make it impossible for it to do so.

[The Acting Chairman (Mr. Tardif).]

I have a very simple amendment drafted and if it were acceptable to the minister I think I would be prepared to let his advisers submit a better draft of it. I suggest that subclause (1)(a)(ii) contain a provision that the pension arrangement made for the class of employees covered by it, namely, former employees, shall be no less favourable than the pension arrangement made for present and future employees. This could be simply done by including after the word "arrangements" in the 19th line the following words, "shall be no less favourable than those provided under the immediately preceding paragraph," or "paragraph (a)(i)."

I feel certain there is no difference on principle between the minister and myself with respect to this point, and I urge him to accept this as a necessary precaution which the law should contain.

Naturally, I suppose that when the corporation is set up the minister and government will be anxious not to interfere with its work. They will tell us, and quite properly so, that it is an autonomous corporation which makes its own decisions, particularly with regard to employees' remuneration, employees' pension plans and the like. That was the basis upon which I moved an earlier amendment, and is the main reason I urge the minister to give consideration to the suggestion I have just made.

Mr. Pepin: Before I deal with this particular question I might be permitted to give a little background on the pension system. The Dominion Coal pension plan as it exists now is not funded and is non-contributory. The pension is paid out of annual operating revenues to the extent that such revenues permit.

Mr. Lewis: It is a gratuity.

Mr. Pepin: Yes, it is a gratuity. One could analyse the history of this but it would take too much time. The company says that when it offered this to the employees they did not want it, but I do not think it is useful to go too deeply into that. The company recognizes no obligation to keep on paying these pensions and therefore this is a liability that the government is accepting through the corporation.

• (9:10 p.m.)

The pension payment by Dominion Coal Corporation in 1966 amounted to $908,235. We indicated that it would cost about $1.1 million next year to cover the whole group of people now being pensioned.

Mr. Lewis: On the same level of pension?

Mr. Pepin: Yes. I should say also that under the same article there is a generous early retirement scheme. I am making these points in order to show that the legislation is not without generosity or humanitarianism. With regard to the specific question asked, once again regretfully I must say that I do not think we can accept the amendment because it would be establishing a principle that people already pensioned are entitled to increases—

Mr. Knowles: Hear, hear.

Mr. Pepin: —to bring their pensions to the level of the pensions of people who are pensioned now. The hon. member for Winnipeg North Centre, as I expected, would have been delighted had I fallen into that trap, because then he would have brought up scores of other cases and would have justified them by invoking this as a precedent. Of course, it is expected that the corporation will maintain the level of the pensions at least to the level at which they are now.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, in respect of this clause, I should like to say that I was down in Cape Breton early this year where I met some of the miners. Lest hon. members should wonder why I, coming from the west coast, am interested in this, I would remind them that the minister himself said this is a matter of national concern.

Some of us have been very deeply concerned for a long time about the problems in Cape Breton, whether directly or indirectly. Shortly after I came back, having met a number of the miners down there, I received a letter from the miners in respect of this situation with which the amendment is intended to deal. They enclosed a copy of a resolution endorsed by the central council meeting of all Cape Breton pensioners assembled at the town of New Waterford. They outlined the fact that the Dominion Coal Company had reduced the voluntary non-funded pensions which had been paid for a number of years. I imagine this was the result of the increased old age supplement which was paid, because it was just about that time that the reduction was made. They also outlined the fact that the pensioners had been trying to have this reduction restored to all pensioners in this bracket, the ones who had been cut down. They requested that when the new working conditions for the miners were worked out under this new agreement—the agreement under the corporation—the pensions of the former employees be considered at the same level as the pensions for those who are going to be employed.

I know the minister has said that it is not necessary to put this sort of thing into concrete form in the legislation and that it should be left to the good sense of those who are appointed to the corporation. I should like to say that when I received that letter from the miners I wrote to the hon. Minister of Industry thinking that this would come under his jurisdiction. He kindly passed my letter on to the proper minister. In that letter I said that while I urge that everything possible be done to try to restore the pensions of these miners, non-funded as they were and the only thing they had to live on, I quite recognize that it is impossible to require that the Dominion Coal Company restore their pensions to the former amount. I went on to say that I also recognize that the federal government will not be able to intervene directly in the affairs of the new federal-provincial corporation which is to be set up in Cape Breton to take over the functions of the Dominion Coal Company. Of course, as my colleague from York South has already said, when this corporation is set up the government will not be able to intervene in the day to day operations of the new corporation, and quite properly so. This is the reason it is exceedingly important at this stage that there be embodied in the regulations a direction so that there will be no need for interference later.

The Minister of Energy, Mines and Resources in his reply to me said the following, and I wish to read it because I think it is the best indication why the amendment moved by the hon. member for York South is absolutely necessary for the protection of these miners whose pensions have been cut back:

> —it is not possible to commit either Dominion Coal Company or the new crown corporation to any specific future course of action in respect to those former employees of Dominion Coal Company who are presently in receipt of pensions from Dominion Coal Company Limited. The situation is further complicated by the fact that the present Dominion Coal Company pension plan is a non-funded, non-contributory plan and is paid out of current annual operating revenues to the extent such revenues permit.

This I believe is the very best reason in the world for the amendment moved by the hon. member for York South, because the minister says it is impossible to commit the corporation to any specific course of action in respect of these former employees. It was impossible to commit the corporation when he wrote to me. I agree that at that time it was impossible, but it is not impossible to commit the corporation under this legislation.

If this legislation is drafted to include the amendment on my colleague from York South, then the new corporation will, under this legislation, be committed to see that those employees who have given good service in the past are not now placed on a lower standard of living because of having their pensions cut back. I believe this is very necessary.

One of the miners who wrote to me said this:

> But for your information, we also know this coal company pension is not paid from current annual operations. Is it not a fact that this company pension is paid out of subventions over a number of years or money granted by our government to the coal company which to my mind makes it all the more reason that we should not have been cut back in our pension.
>
> Since the crown corporation is going to take over the coal mines, the government should do something in regard to this matter by placing all on the same level.

You can call it what you like; call it guaranteed income or common justice. But, to me, it is not the right thing to have these miners, who were receiving a voluntary pension payments when the supplementary old age security pension was granted, cut back and having to remain at that level to the end of their days in the face of the rising living costs. To me, it is just a matter of common justice to accept this amendment which has been suggested. My colleague is not worried about the exact terms, so long as there is a guarantee that the pensions of the former employees will not be less than the pensions which are to be provided for the employees of the corporation when it takes over.

Mr. Lewis: Mr. Chairman, the hon. member for Vancouver-Kingsway referred to the amendment and suggested that it had been moved. It has not been moved and I rise to do that now. I intended to do it. No one could have persuaded me not to, especially after the statement by the minister to the effect that he did not want to establish the principle that the pensions of former employees should be on the same level as the pensions of present or future employees.

[Mrs. MacInnis (Vancouver-Kingsway).]

• (9:20 p.m.)

That is precisely the principle I want to see established in this legislation. I am not suggesting that the principle should be embodied in the act dealing with labour relations generally, although I would prefer that. I want to make clear that I would prefer that but I realize there are differences between industries. I cannot for the life of me see why we should set up a corporation with public funds to take over mining operations and be willing to let that corporation treat former miners in this way. These men have had their pensions cut and been the victims of a company which had no pension plan at all but paid a gratuity from time to time at the level it wished. These miners have suffered enough at the hands of this insatiably greedy corporation that has bled Cape Breton island for decades. I cannot for the life of me see why we should set up a public corporation with public funds without making sure that these retired miners, who have already taken enough from their former employers, are treated on a decent and equal basis with new employees of the corporation.

Therefore I move:

> That paragraph (ii) of subclause (1)(a) be amended by inserting the following words after the word "arrangements" in line 19, page 9, namely:
>
> "which shall be no less favourable than those provided under paragraph (i) of subclause (1)(a) of this clause"—

All this means is that the pension arrangements to be made for former employees, to be provided by the corporation, are to be no less favourable than the pension arrangements provided for present and future employees.

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, I rise at this time to support the amendment. There is nothing wrong with it and there is a lot of good in it. I regret that the minister has already stated he is not interested in accepting such an amendment. However, I was very pleased to hear the minister, along with others, refer tonight to this so-called pittance that was received by retired coal miners, some of whom have spent from 50 to 55 years working underground. I was very pleased to hear the minister confirm that this was a gratuity.

The hon. member for Cape Breton South, the hon. member for Pictou and myself have spent a great deal of time over many months both in and outside this house trying to point out to the Minister of National Health and Welfare and the Minister of National Revenue that this small pittance received by

retired coal miners was a gratuity. I do not know whether the minister is using Webster's dictionary tonight, but I should think a gratuity is a gift. A little booklet sent out by the Department of National Health and Welfare states that gifts are not classified as income in qualifying for the guaranteed income supplement. Many Cape Breton island miners have not been able to qualify for the full amount of the guaranteed income supplement, and many have only qualified for a very small portion of it because, although the Minister of National Health and Welfare has said in this house on many occasions there would not be a means or needs test but only an income test, this gratuity has been regarded as income.

Obviously the minister was making a play on words because we find that these retired miners are not getting the benefit of the so-called guaranteed income supplement. Let me give a little more background of the pension or gratuity arrangements made by Dosco. I think it was in 1952 or 1953 that the amount they were receiving was reduced from $75 to $35 when the miners became eligible for old age security. It was not a result of the guaranteed income supplement that their gratuity was cut, because most of them have not had the opportunity to qualify in his regard.

I hope that the minister will talk to his colleagues, the Minister of National Revenue and the Minister of National Health and Welfare, in an attempt to persuade them that this is in fact a gratuity and not a pension resulting from any funded pension plan. I fully endorse the amendment and I hope the minister will now get back to his old self, with the usual smile on his face and will say, I think you have a good idea and I endorse the amendment also.

Mr. Knowles: Mr. Chairman, before the vote is called on this amendment I should like to add my voice by way of appeal to the Minister of Energy, Mines and Resources to reconsider his position on this matter. If he does not feel he can accept the exact wording proposed by the hon. member for York South, I suggest that he come up with some other wording. I ask him not to leave the pensioners in Cape Breton in the position they have been for many years.

I need not repeat the facts of the situation which have been set out so well by those who have spoken in the last half hour or so, but let us remember that we have here a group of pensioners who have been at the mercy of the corporation and have seen their so-called pensions or gratuities cut back at every opportunity there was for the corporation to do so. It seems to me that their position should be recognized as part of what the minister says is a matter of national concern. I submit that it is a matter of national concern to us not only that the coal mining operations in Cape Breton are in difficulty, but that the people who have worked in those operations are as well facing a very difficult situation. I appeal to the minister to make up, in part at least, for the way in which these pensioners have been victimized, by seeing to it that from now on their pension position will be better than it has been.

• (9:30 p.m.)

I am sure the minister was not surprised that I got to my feet after the remarks he made a moment ago when he objected to the principle of doing for those already retired what we are prepared to do for those who retire now or hereafter. If the minister wants to provide some kind of difference let him come up with a different wording for this clause; but let him not freeze these retired people at the pension levels on which they have to subsist at the present time.

To argue that it is not fair to increase the pensions of persons already retired just does not "go" any longer in this house or in this country. There are many jurisdictions and many employers who have found ways and means to increase the pensions of their former employees. I think of most of the provincial governments in this country, they have done it. I think of my own city of Winnipeg and other municipal bodies across the country which have found it possible to increase the pensions of their employees already retired.

A few days ago we read in the press that the Presbyterian Church in Canada had taken steps to increase the pensions of its ministers already retired. Some of the automobile companies do this. Many of these things have been won, let it be said, by collective bargaining. But nevertheless the principle that people who are already retired have a right to compensation for the increase in the cost of living, and a right to share in the increased standard of living, has been established in this country. The government itself has recognized this principle in at least two pieces of legislation. The Canada Pension Plan has in it a provision under which from the year 1968 on increases to compensate for the increased cost of living are automatic. This principle is also to apply to old age security. Starting in

January, 1968, old age security pension payments will be increased in accordance with the increases that have taken place in the cost of living, subject to a certain formula that is in the act.

I hope there will be no slip with respect to the question of retired civil servants. Something was done for these people back in 1957 and 1958. This, again, is in support of the contention that it can be done and has been done. I still believe that sooner or later the government will have to implement the report of the special joint committee on the public service of Canada, which recommended on May 8 that there be an increase in the pensions of civil servants already retired. As far as I am concerned, this is already long overdue and it ought to be done without fail this month. In any case, the point I am making is that it is not breaking new ground at all; it is not a new principle to recognize the right of persons already retired to an improvement in their pension position.

I assert that if there is any group of persons in Canada that deserves to have its pension position improved, it is the pensioned miners in Cape Breton. They have been the victims of a heartless policy on the part of the corporation. They have seen their so-called pension, their so-called gratuity, cut back time and time again. We are taking this industry over now; we are bringing these miners under the umbrella of a public corporation. We are doing this because we say it is a matter of national concern. Let us show a little national concern not only for bailing Dosco out but for the retired employees in that area.

I therefore urge that the minister either find some other wording to meet this problem or that he cease his opposition to the amendment moved by the hon. member for York South. I suggest that to oppose this amendment is a heartless act. I believe the amendment ought to carry.

Mr. MacEwan: Mr. Chairman, I wish to ask the minister a question for clarification. Clause 18 (1) (a) (ii) provides:

> The corporation shall by bylaw provide for the establishment, management and administration of... pension arrangements for the benefit of persons, and dependants of persons, formerly employed by the companies—

I take it that refers to companies in the Dosco group. I do not know the numbers involved; perhaps the minister has that information or could get it. Could the minister tell me what will happen with respect to employees retired from the Acadia Coal Company, one of the Dosco chain, in my area? What will happen with respect to those who worked at the McBean mine and those who received a gratuity from the Acadia Coal Company, from Dosco, who formerly worked in mines which were closed down? There are a number in our area. What happens to the gratuity of these people? Will the gratuity be continued? Many people in my area want to know the answer to this question. I do not know how many people in my area would be involved, but the answer to this question means a great deal to them. Not very much money would be involved. I am sure this is a question which was raised in the negotiations between the officials, or the minister, and Dosco.

Second, Mr. Chairman, the minister pointed out that the McBean mine in my constituency did not have very long to operate. He said the resources there were being depleted. Would the minister consider taking the employees—this has been done in the past—who are at retirement age and including them in the pension arrangements under this clause? This mine is part of the whole set-up. I think the minister is a political scientist, but if he needs a lesson in geography I would tell him that this mine is not too far from Sydney. I hope the minister will consider this problem.

In Cape Breton and Pictou county there are a great many Scots. I hope the minister is not punishing us because we are not island Scots but are mainlands Scots. Could the minister enlighten us on these very pointed questions? I think they should be answered before this commendable amendment is put to the committee.

Mr. Pepin: Mr. Chairman, my ancestors also came from that area. The hon. member keeps asking me questions to which I must give him the same answers. The Acadia Coal Company's McBean mine it not covered by this legislation. Should it close, I would be almost as concerned as the hon. member to try to help.

Mr. MacEwan: Has the minister any information about past employees, those employees who are now receiving the gratuity? I refer to employees of Acadia Coal, Dosco, on Cape Breton Island. Are they washed out in respect of this program?

Mr. Pepin: I do not know, Mr. Chairman, but the company says it has no legal obligation. I can only repeat what I said, that if the

mine closes—it is not certain that it will because there are all sorts of other possibilities, some of which were indicated by my hon. friend the other day—I will be as concerned as he is to see that the blow is as light as possible.

Mr. MacEwan: What about the people who have already retired and are receiving this gratuity from Acadia Coal, Dosco? What is to happen as far as they are concerned?

Mr Pepin: I cannot really say what Dosco will do.

Mr. Schreyer: Mr. Chairman, since the minister turns a deaf ear to the arguments that have been put forward by the hon. member for Cape Breton North and Victoria, the hon. member for Vancouver-Kingsway and others, I feel it necessary to make some further comment in connection with the amendment before us.

• (9:40 p.m.)

I think it is evident that this government is prepared to extend any degree of solicitude and concern to the preferred shareholders of Dominion Steel and Coal Corporation but it is not prepared to extend it to the former employees of the company who now have to live on pensions that are inadequate in every respect. It has been argued, I think with clarity and convincingly, that over the course of the past several years there have been cut-backs in the amount of pensions paid to the former employees. It does not seem logical or fair to make an arrangement under the terms of this legislation which would have the crown corporation pay a pension which merely comes up to the pension presently payable by the corporation. My understanding of the matter is that in the course of the past year or two the market value of shares of this corporation has increased somewhat. According to my interpretation of clauses 9 and 10 of the bill, the government will negotiate with Dominion Steel and Coal to arrive at a settlement. It would hold in reserve the power of expropriation in this bill and would not exercise it before a certain specified time.

In that period of time it is not inconceivable, and in fact very likely, that an attempt will be made to manipulate the book value of assets and the market value of shares.

Mr. Pepin: May I say to the hon. member that we are not buying shares, we are buying assets.

Mr. Schreyer: I did make reference to the fact, and I do believe it to be a fact, that attempts may be made in the interval now and during the period of actual negotiations to manipulate or change the book value of assets. The negotiations will be quite prolonged, I am sure.

The point I have been making is that throughout this legislation, and in particular in clauses 9, 10 and 18, the government is showing a degree of solicitude for the preferred shareholders of this company which it is not prepared to extend to the former employees of the corporation.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I am impelled to take part in this debate after having listened to the astonishing statement of the minister a few minutes ago in reply to the hon. member for Pictou. He said that he did not know what he could do about the other employees of the Dosco corporation but he would do what he could. If ever there was proof positive that this bill should have curbed all the operations of this reprehensible corporation, it is in the minister's extraordinary statement. Why does he distinguish between the victims of Dosco in Cape Breton Island and the victims in Pictou county?

Mr. Pepin: It is exactly because it is difficult to make a distinction that I intend to do everything that is possible to help.

Mr. Cameron (Nanaimo-Cowichan-The Islands): The minister was dealing with the coal properties of a certain corporation, yet Acadia coal mine is part of those coal properties. How does he distinguish between the two of them? Why does he make flesh of one and fowl of the other?

Mr. Pepin: One is in Cape Breton and the other is on the mainland.

Mr. Cameron (Nanaimo-Cowichan-The Islands): They are both in the province of Nova Scotia.

Mr. Pepin: Some of the mines in Newfoundland and in Manitoba are also in trouble.

Mr. Cameron (Nanaimo-Cowichan-The Islands): But these happen to be in Cape Breton and there is a causeway which connects Cape Breton Island—

Mr. Pepin: We have not taken it over from the province of Nova Scotia.

Mr. Cameron (Nanaimo-Cowichan-The Islands): The mine is a holding of Dosco in the province of Nova Scotia and not all that

far from Cape Breton Island. I would like to know how the minister, having this rather limited concern for the victims of Dosco in Cape Breton Island, can give such an airy dismissal to the equal claims of the former employees of another property of that company in the province of Nova Scotia and give us the really factuous answer that he does not know what he could do but he would try to do something. What will he do? Why does he not give us some idea of what he will do? Why does he not inform some of the people now employed in those mines in Pictou county, as well as those who have been laid off in the past and who have been receiving a gratuity from this wretched company that has never established a proper pension plan, what his intentions are? The government is apparently not prepared to make adequate provision for these men. I would like to know what the minister intends to do about them, and I am quite sure the people in Pictou county would like to know also.

Mr. Muir (Cape Breton North and Victoria): I should like to say one word or two to the minister on the question of pensions. I have before me a copy of a resolution that was sent to the minister, dated April 7, 1967, from the central council meeting of all Cape Breton pensioners assembled at the town of New Waterford, signed by the chairman, William McKenzie, Glace Bay; the vice chairman, Emerson Campbell, Sydney, and secretary Wilfred L. Wilson of Dominion, Nova Scotia. The resolution reads as follows:

Whereas the Dominion Coal Company has reduced all old age miners pensions from year 1953 to December 31, 1965 below colliery manager to pay corporation tax and

Whereas the pensioners union has been trying to have this reduction restored back to all pensioners in this bracket to its former amount without any retroactive payments and

Whereas the United Mine Workers executive board will be entering into negociations with the Crown corporation some time in May of this year to arrange a new contract covering wages and working conditions for the miners.

Therefore be it resolved that this central council meeting assembled at New Waterford request mine workers executive to take this matter up with Crown corporation to have cut pension restored back to its regular amount and the system of reducing pensions be discontinued and all pensions be worked in under the miners agreement.

At that time we communicated with the Minister of Energy, Mines and Resources and in reply the minister very kindly wrote to me on May 17 and also enclosed a copy of the letter that he had forwarded to Mr. Wilfred L. Wilson, the secretary. I should like to place it on the record. It reads as follows:

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

Dear Mr. Wilson:

The Prime Minister has passed along to me your letter of April 7 and the accompanying resolution endorsed by the central council meeting of all Cape Breton pensioners assembled at the town of New Waterford.

Although the matter with which the resolution deals will be one which will fall within the responsibility of the new Crown corporation, I think I can assure you that the legislation setting up the Crown corporation will empower it to continue the payment of pensions to those former employees of Dominion Coal Company.

That was very enlightening, I must say. The second paragraph reads as follows:

I am certain that you are aware that the present Dominion Coal Company pension plan is non-contributory and unfunded and does not contain any legal obligation for the payment of pensions; payments are only made out of operating revenues to the extent such revenues permit. The enabling legislation which I plan on introducing into the house shortly will ensure that the Crown corporation is empowered to continue the payment of pensions to those now in receipt of pensions from Dominion Coal Company.

Here again, I presume it is on the same level. This is a big deal. The minister has pointed out that it is non-contributory and unfunded, but he is going to introduce legislation which will allow this pittance to be continued. The final paragraph reads as follows:

With respect to the specific matter raised in the resolution, i.e., the level of pension payments, I would recommend that you bring the resolution to the attention of the Crown corporation once it comes into being.

Yours sincerely,
Jean-Luc Pepin.

• (9:50 p.m.)

Along with other hon. members, I feel rather distressed that a few minutes ago the minister was able to say it was not his policy or idea that anybody who is now on pension should be brought up to the level of those who are going on pension at the present time. Surely, he must have heard something in his years in this house about the increased cost of living, the increased cost of everything that one has to consume or use. So, why should these people be enslaved and have to live on a small pension which has remained fixed for many years? Almost daily the hon. member for Winnipeg North Centre has talked about retired civil servants, and other hon. members have brought this to the attention of the chamber. I believe the Minister of National Revenue said that he was working on the matter. The Prime Minister is also interested

in it and the matter is being given consideration. Everybody is interested in the question but no legislation is introduced.

A similar situation exists for these coal miners who were put on pension some years ago. Surely, the minister is not so hard as to refuse to consider such a suggestion as that enshrined in this amendment. As I have already said, some of these men have spent 50 to 55 years in the mines. Some of them started work in the coal mines when they were 13 or 14 years of age. They have been beaten and broken by many years of work underground for this vast corporation, working under terrible conditions. In spite of this, we in this chamber are not realistic enough to appreciate the situation.

The situation is so serious that surely the minister can bend slightly and give consideration to this amendment. I make a final appeal on behalf of the retired coal miner pensioners on the island of Cape Breton and on the mainland, for whom the hon. member for Pictou spoke so eloquently. All appeals up to the present time made by members on this side of the house have fallen on deaf ears. Again, I appeal to the minister to rise and give us a logical reason for not considering this amendment.

Amendment (Mr. Lewis) negatived: Yeas, 31; nays, 51.

The Chairman: I declare the amendment lost.

Clause agreed to.

On clause 19—*Payments by Minister of Finance.*

Mr. Winch: Mr. Chairman, I believe this is the only clause on which I can ask the minister this question. Clause 19 gives authority to the Minister of Finance to pay millions and millions of dollars to the corporation out of the federal treasury. What I cannot find here under the financial arrangements made or in any other clause of the bill, is provision for a watchdog over how this money is spent. In other words, I cannot find anywhere in the bill the appointment of an auditor. I am not referring to a general auditor under a business procedure; I am referring to the Auditor General of Canada who is the watchdog of the federal treasury.

There are two types of acts which make provision for auditors. In one type no specific reference is made to the Auditor General. As a result, those of us who have been members of the public accounts committee find that very often the Auditor General tells us that he does not know exactly where he stands under this type of act, and this means that his actions in watching over the spending of the government can be challenged.

In the other type of act, many of which refer to crown corporations, specific reference is made to the jurisdiction of the Auditor General, with the result that he is what you might term a supervisory authority. However, no matter under what authority he carries on his work, he has to report to parliament on any matter that he thinks should be brought to our attention.

In view of this, Mr. Chairman, and because in many acts, such as those in respect to the Polymer Corporation and other gigantic crown corporations, the Auditor General's powers are set forth, I find it strange that in this bill there is not only no mention of the watchdog of parliament, the Auditor General, but there is no mention of any other kind of auditor.

Because of my past experience on the public accounts committee, and in view of what I have just said, does the minister not think that this bill should be changed so as to give the Auditor General authority to act as the watchdog of parliament?

Mr. Pepin: I should not like my words to be considered as a lack of confidence in the Auditor General, but clause 31 (1) of the bill provides that the corporation is a proprietary corporation within the meaning and for the purposes of the Financial Administration Act. Section 76 of the Financial Administration Act defines a crown corporation to include a proprietary corporation, and section 77 of the act provides as follows:

(1) Where, in respect of a Crown corporation

(a) no provision is made in any Act for the appointment of an auditor to audit the accounts and financial transactions of the corporation, or

(b) the auditor is to be appointed pursuant to the Companies Act,

the Governor in Council shall designate a person to audit the accounts and financial transactions of the corporation.

• (10:00 p.m.)

Notwithstanding any other act, the Auditor General is eligible to be appointed auditor or joint auditor to a crown corporation. The effect of this is that the Auditor General may be appointed as the auditor or joint auditor in exactly the same way as in the case of any other proprietary corporation listed in schedule D of the Financial Administration Act.

Mr. Winch: As usual, the minister proves precisely the point which has been raised, without doing anything about it. The Auditor General is eligible to be auditor or joint auditor but there is nothing here which says that he shall be appointed and that he shall examine the books and report to parliament. The only way to make sure of this is to write it into the bill. It is not in the bill, and this is the very point which has been raised by the Auditor General before the public accounts committee year after year. He is eligible, but unless something is done here he has no authority. It is this very aspect that I urge the minister to deal with. We ought to make it clear that the Auditor General has this responsibility by making the necessary provision in the bill itself.

Mr. Hales: I wish to support what has just been said by the hon. member for Vancouver East. In my opinion it should be stated expressly in the bill that the Auditor General shall be auditor to this crown corporation. I also think the province of Nova Scotia should be included. Nova Scotia has a part to play in this legislation and I believe their auditor should be included along with the Auditor General of Canada.

The minister is asking parliament to approve amounts in the neighbourhood of $75 million yet no provision is made for this money to be accounted for by the Auditor General of Canada and the Nova Scotia auditor. Possibly members might be prepared to sit a little longer in order to continue the discussion on this point. I have an amendment to clause 33 which would cover this very point. Perhaps the minister would prefer to leave it until we reach that clause.

Mr. Churchill: Ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: I wonder whether the leader of the house would exercise the same type of courtesy as was shown by former house leaders by informing the house each night whether the business for the following day is to be the same or whether there is to be a change. If the business is to be the same, why not record it in *Hansard*?

Mr. MacEachen: I will be glad to revert to the former system. I changed the system at the request of the hon. member for Carleton (Mr. Bell) some time ago, who asked that the house leader give information as far in advance as possible. That was done last Thursday, and the business of the house was announced last Thursday for all this week up to and including Friday. The business of the house tomorrow will be the estimates of the Department of National Health and Welfare. I will accept the suggestion of the hon. member and in the future announce the business on a day to day basis.

Mr. Muir (Cape Breton North and Victoria): May I ask the house leader when he expects to call again the bill with which we have been dealing tonight?

Mr. MacEachen: Mr. Speaker, I cannot at this moment indicate when that legislation will be brought back.

Mr. Churchill: May I just say to the government house leader it is not a question of simply announcing on a day to day basis, without prior notice as to what is in store. A week's outline of the business is very helpful to us, but there are alterations. There was an alteration today, and the house was not notified officially last night that there would be a possible change in the program.

Mr. MacEachen: Mr. Speaker, I undertook that if there were to be alterations I would notify the house. There was an alteration today as a result of consultation with other parties, and notification was given to persons participating in the debate.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

[*Translation*]

AGRICULTURE—QUEBEC—REQUEST FOR ASSISTANCE FOR POTATO PRODUCERS

Mr. Gaston Clermont (Labelle): On June 12, 1967, Mr. Speaker, as recorded in *Hansard* on page 1397, I put the following question to the Minister of Agriculture (Mr. Greene):

Since March 22, 1967, has his department negotiated with the agriculture department of Quebec on assistance to potato producers? If so, what are the results?

And here is what Mr. Speaker said as to the acceptability of my question:

It is difficult for me to determine whether the question of the hon. member for Labelle is urgent. I am inclined to think that this question should be put on the order paper, but, if the hon. member

feels this is an urgent question of national importance, he could bring it up on the adjournment motion.

I raised this question, Mr. Speaker, because it is very important for thousands of potato producers in Quebec as well as in the other provinces.

I believe the 1966 potato crop in Canada was the best in 40 years. As of March 1, 1967, our warehouse stock showed a 43 per cent increase over that of the preceding year, in spite of a high volume of sales to foreign countries.

On March 22, 1967, the federal Minister of Agriculture announced the adoption of a program authorizing the Agricultural Stabilization Board to provide a support price of $1.65 per barrel of Canada No. 1 potatoes sent to starch plants.

In areas where there are no starch plants —as in the province of Quebec—and where there may be an important surplus of potatoes, the associations and groups of producers wishing to participate in the federal support program were to submit the terms of their propositions to the Agricultural Stabilization Board.

I am told that potato growers and other groups interested in that farm produce made certain proposals to the Agricultural Stabilization Board.

The hon. member for Rivière-du-Loup-Temiscouata (Mr. Gendron) and I accompanied such a group in April when they met representatives of the Department of Agriculture to discuss the problem.

Another program was offered the Quebec potato growers, whereby surpluses would be used in feed rations intended for cattle. This alternative did not seem to please the growers, most of whom did not own boilers or choppers and, moreover, were afraid to destroy their feed system based on balanced rations.

● (10:10 p.m.)

In a press release published in *La Presse*, of Montreal, the minister of agriculture of New Brunswick announced, on April 21, 1967:

> The potato starch assistance program already in existence is being supplemented by the hog feeding program.
>
> Mr. Lévesque indicated that he discussed the possibility of a further assistance program in Ottawa on Tuesday, and that federal authorities are now considering his proposals.

Mr. Speaker, if this program was that of assistance to disaster-stricken people, I wonder why, at this stage, and considering that the season is well advanced, potato growers in the province of Quebec could not also have such a program?

[*English*]

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for Labelle (Mr. Clermont) for bringing this important matter to the attention of the house and to the attention of the government. It is true that in 1966 we did have a remarkable crop of potatoes and at the moment are labouring under the penalty of abundance. So, the crop of 1966 has brought about some problems and it has been necessary for the government to institute a program to bring about some relief.

The level of assistance available under the Agricultural Stabilization Board is 75 cents per hundredweight and in addition the feed value of the potatoes, which is estimated at at least 25 cents per hundredweight, would accrue to the producer. This program is in effect in five other provinces and to date in excess of one million hundredweight of potatoese have been committed under this program.

It may be true that there may be areas in which the livestock feeding program is not of immediate assistance. I understand from the minister and from his officials that consideration is still being given to alleviating this particular hardship. I know that if any relief is available in this regard, the announcement will be made by the minister at a later date.

IMMIGRATION—DENIAL OF LANDED IMMIGRANT STATUS TO GREEK SHEPHERD

Mr. Ralph Cowan (York-Humber): Mr. Speaker, on June 13 I directed a question to the Minister of Manpower and Immigration. I said:

> I have his letter denying landed immigrant status to a Greek shepherd, and I should like to ask the minister whether Moses, who looked after sheep for 40 years, or King David, who was also a shepherd, would have been admitted to Canada under the present regulations.

I did not receive any answer to this query of June 13 and I should like to elucidate further on the matter. This question was discussed at some length during the adjournment debate on June 12. At that time some remarks were made about this man, Mr. Sistanis, who is under order for deportation after having appeared before a special inquiry officer of the immigration branch and the appeal board.

Proceedings on Adjournment Motion

I based my remarks which I made on June 12 entirely on the fact that on April 21 there had been a revolution in Greece and this young man, who came to Canada in 1966, did not wish to return to that dictatorship country. I have in my hand clippings from the Ottawa *Journal*, the Ottawa *Citizen*, the Toronto *Star* and other papers referring to the fact that since April 21 Greece has been under a martial dictatorship. An editorial in the Toronto *Star* of May 12 referred to a statement that Canada was going to devote $1.5 million as aid to Greece. This was severely criticized. A paragraph in the editorial reads:

> The sum of $1,500,000 is not much by modern budgetary standards. But we can think of better uses for it than pouring it down a dictator's gun barrels.

I should like to point out that this man, Mr. Sistanis, is still in the country although he has purchased a ticket back to Greece. He is waiting for a seat on an airplane because he has been told he must get out.

I want to emphasize that we are forcing upon a Greek citizen something that we did not enforce in respect of the Polish art treasures which came into Canada in 1940. This morning I spent some time looking up the historical facts in connection with these Polish art treasures. They were sent from Poland to France by way of the Black Sea and Rumania before the advance of the Germans in 1939. When it looked as though France was going to fall in 1940, these Polish art treasures worth millions and millions of dollars were sent from the south end of France to Canada and were stored for a short time at the central experimental farm in Ottawa. Following the breakdown of the established Polish government in 1940 these Polish art treasures were moved to other places in Canada, and I do not believe for a moment that their destination was unknown as intimated at the time.

When I read references in *Maclean's* magazine, the Canadian *Forum* and *Hansard* for 1945, 1946, 1947, 1953 and 1958 I did not find a pretty picture of Canadian diplomacy. We held on to these Polish art treasures in Canada and kept telling the Polish people who were asking for the return of their prized possessions that we could not send these back to them because the government that sent them to us was no longer in power.

[Mr. Cowan.]

We continually told them that it was impossible for us to return them to the new government of Poland because the government from which we received them was no longer in existence. We kept this up for a period of years.

One of the documents I have in my hand here is a letter dated February 13, 1948, from the under secretary of state for external affairs, one L. B. Pearson, to a Dr. Bielski who was chargé d'affaires at the Polish legation in Ottawa. In part it reads:

> As we agreed with your solicitors, we are communicating the information to you for any further action you and your solicitors may wish to take.

That was dated February 13, 1948, and the established Polish government of 1945 had been asking over and over again where the treasures were. For three years we held them back. If we were willing to send these Polish treasures to various areas in Quebec and keep them away from the new Polish government I do not see why we should have to inform a genuine, genial Greek that he has to get back to Greece and get back there as quickly as possible, despite the fact Greece has a new government, a military dictatorship.

A week from Thursday we are going to be welcoming a Greek to this country, and as far as I know he has not even got a work permit. When he is here he will be opening hospitals and laying cornerstones, and we in the house here will have to shake him by the hand and tell him how wonderful we think the Greeks are. If we are to greet him with open arms here at parliament hill I can not understand why we should order this Greek shepherd to be deported.

This is supposed to be a classless country. Are we going to kick this Greek shepherd out of this country and welcome a Greek prince and welcome the Greek King and Queen on September 4? I say to you that this country should have a reputation for political asylum. This young lad of 23 does not want to return to Greece under its new government and does not want to be forced to go back.

Only since supper time tonight, June 20, did I receive a printed form from Ministre de la Main-d'Oeuvre et de l'Immigration, which I suppose means Manpower and Immigration. It is stated that there are new selection policies for immigration. At page 5 it is stated that this is a summary of the new selection policy for immigrants, and there is a suggestion that no longer will a man have to have

seven years education as set out on page 21 of the white paper on immigration, but that he may have slightly less education if he has a job to go to, if he has relatives in this country and if he is under 35 years of age. Nicholas Sistanis has all these qualifications. He has six years education and in April the minister said that apprenticeship time will count; that three years apprenticeship will be taken into consideration. This man was five years a shepherd and three years a housepainter in Greece.

This young man qualifies under the apprenticeship clause, so far as the statement is concerned, under two headings, agriculture and housepainting and because of his youth and his ability I suggest he should not be forced to go back to Greece. We are welcoming a Greek prince here next week and the Greek King and Queen on September 4, and I say we should welcome a common ordinary Greek who wants to stay here with his uncle and aunt and his cousins in the town of Weston in the riding of York-Humber. He is qualified in every way under the new immigration selection policy as set out in the statement received by members of parliament this evening. If they opened their mail boxes at supper time they will have this statement. If they have not, they will get it tomorrow.

• (10:20 p.m.)

I simply ask that the Department of Manpower and Immigration allow this man to remain in Canada. I sincerely ask that he be given the same kind of treatment that was given to the Polish art treasures. That is, that no speedy action be taken in respect of this young lad who should be allowed to stay. He is here now. He has not worked since he came here. I sincerely ask that he be given the same kind of treatment as the Polish art treasures; that is, that no speedy action be taken on him at all and he be allowed to settle in like the Polish art treasures which were in this country from 1940 to 1949 or 1950 before any action was taken to send them back to Poland.

Let us treat a genuine, genial, Greek, who is a human being, as well as we treated those painted Polish pictures. At least they stayed in Canada for years before we returned them to their home country. We should treat this Greek better by allowing him to stay in this country, where he wishes to settle, where his aunt, uncle and cousins reside, and where he has secure employment the moment he is granted landed immigrant status.

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, there is not much to add to what we said when this question was raised on the late show about two weeks ago. The minister then informed the hon. member, through myself, that this man about whom the hon. member for York-Humber (Mr. Cowan) speaks did not comply with the immigration conditions and was asked to leave Canada. He was here as a visitor; he did not comply with the conditions and he was asked to go back at the end of his stay.

There is another factor to consider when we talk about fairness. Perhaps the hon. member for York-Humber would like to consider this. If all visitors, or a good proportion of them, who come to this country were allowed to remain, it would certainly be most unfair to all their compatriots in their country of origin who had gone through the procedures necessary, who had been to the immigration offices abroad, made application to remain here permanently, had their X-rays and all their medical checks and so on, if we just let them wait endlessly while we treated in a favoured way those who came here as visitors.

Mr. Cowan: What about the revolution in that country?

Mr. Knowles: There seems to be a revolution across the way.

Mr. Munro: The hon. member also knows that as far as the revolution, I am not sure what you would call it, is concerned—

Mr. Cowan: A military coup.

Mr. Munro: —the department has ascertained that there is no danger whatsoever to Greek citizens as a result of the change of régime in that country. This man will not be prejudiced in any way on that count. We are fully satisfied about that. As far as the application of the new selection criteria is concerned, it was said that it would be several months—

Mr. Cowan: Do you know that there are more than 6,000 trade unionists in jail in Greece now?

Proceedings on Adjournment Motion

Mr. Munro: The minister stated before the immigration committee that the new selection criteria could not be applied for several months. It is impossible, therefore, to know whether this man would comply with the new selection criteria.

Motion agreed to and the house adjourned at 10.25 p.m.

[The following items were passed in committee of supply this day]:

ENERGY, MINES AND RESOURCES

1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, 92, 95, L25

ATOMIC ENERGY

1, 5, 10, 15

ATOMIC ENERGY OF CANADA LIMITED

L5, L10, L15

HOUSE OF COMMONS

Wednesday, June 21, 1967

The house met at 2.30 p.m.

CANADIAN CENTENNIAL

MESSAGE OF CONGRATULATIONS FROM MALTA

Mr. Speaker: Order. I have the honour to inform hon. members that I have received from the Speaker of the House of Representatives of Malta a resolution expressing sincere congratulations and affectionate greetings to the House of Commons of Canada on the occasion of our centennial.

I am sure hon. members will want me to reply on their behalf conveying our thanks for the thoughtful message from the representatives of the House of Representatives of Malta.

Some hon. Members: Hear, hear.

[*Translation*]

CRIMINAL CODE AMENDMENT

PROVISION RESPECTING PROVINCIAL LOTTERIES

Mr. Maurice Allard (Sherbrooke) moved for leave to introduce Bill No. C-137, to amend the Criminal Code (Provincial Lotteries).

Some hon. Members: Explain.

Mr. Allard: Mr. Speaker, the object of this bill is to amend the Criminal Code with a view to allowing provincial governments that so desire to provide for the payment, within the province, of increased family allowances and old age pensions through provincially organized and operated lotteries.

Motion agreed to and bill read the first time.

[*English*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DISTRIBUTION OUTSIDE CANADA OF CENTENNIAL MEDALLIONS

Question No. 145—**Mr. MacRae:**

Is it intended to distribute to the children of servicemen in Europe or elsewhere outside Canada the centennial pins and medallions that the school children in Canada are receiving?

Hon. Judy V. LaMarsh (Secretary of State): Yes. All Canadian school children in grades 1 to 13 will have received a centennial medallion whether they live in or outside of Canada.

The distribution outside of Canada is being done by the Department of National Defence and by the Department of External Affairs. The latter department distributes the medallion to the children of servicemen in the more isolated areas.

Centennial pins are distributed on request only.

IMMIGRANT AGRICULTURAL WORKERS

Question No. 155—**Mr. Bell (Carleton):**

1. Has the Department of Manpower and Immigration any plans to recruit immigrant workers for agriculture?

2. If so, what is the nature of such plans?

3. Of the immigrants who were admitted to Canada in 1965 and 1966 (a) how many were destined for the agricultural labour force (b) what percentage of the total immigration inflow for each of the two years did these represent?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1 and 2. Farmers and others qualified in agricultural occupations are continually being recruited, when available as immigrants, in the normal activities of immigration offices abroad.

3. (a) and (b)

	Workers destined to agricultural employment	Percentage of total immigration
1965	2,362	1.6
1966	3,153	1.6

HEALTH STANDARDS IN URANIUM MINES

Question No. 196—**Mr. Ormiston:**

Are the Canadian uranium mines which may be working on federal government uranium contracts required to adhere to the health standards set by the international commission on radiation protection?

Mr. Jack Davis (Parliamentary Secretary to Minister of Energy, Mines and Resources): All uranium mines in Canada are licenced by the Atomic Energy Control Board. Mining permits require observance of appropriate provincial regulations and of the Atomic Energy Control Regulations including Part VI

dealing with health. These regulations are based on the international commission on radiation protection recommendations and as these recommendations have been changed recently, the board's regulations are currently under review.

AMHERST, N.S.—RECOGNITION BY CENTENNIAL COMMISSION

Question No. 205—**Mr. Coates:**

Has the Secretary of State or the Centennial Commission decided to give special recognition to the unique fact that Amherst, Nova Scotia, is the birthplace of four Fathers of Confederation and, if so, what form will this honour take and on what date will it be bestowed?

Hon. Judy V. LaMarsh (Secretary of State): There are no plans to commemorate Amherst, Nova Scotia, as the birthplace of four Fathers of Confederation, however, the Centennial Commission is assisting the Boy Scouts of Canada in organizing commemorative ceremonies at the gravesites of the Fathers of Confederation July 1, 1967. Thirty-seven ceremonies will be conducted in 19 cities. Descendants of the Fathers of Confederation will be in attendance at all but three of the ceremonies. Amherst, Nova Scotia, is among the 19 cities involved in the program. Miss E. L. Maynard, 353 Frank St., Ottawa, granddaughter of Robert Barry Dickey will lay the commemorative wreath.

LOANS UNDER FINANCIAL ADMINISTRATION ACT

Question No. 209—**Mr. Godin:**

1. Has the government made any loans during the past five years under section 82 of the Financial Administration Act?

2. If so, to whom were these loans made, for what length of time, and at what rate of interest?

Hon. Mitchell Sharp (Minister of Finance): 1. Yes.

2. Loans during this period were made to the Farm Credit Corporation for purposes of administration expenses in respect of the Farm Machinery Syndicate Act as follows: (a) $50,000 on December 22, 1964, repaid on June 1, 1965 without interest, Vote 95d 1964-65 and (b) $75,000 on August 5, 1965, repaid on April 14, 1966, without interest, Vote 95c, 1965-66.

GRANTS TO CADET CORPS MEMBERS

Question No. 210—**Mr. Godin:**

1. Do members of cadet corps receive government grants?

2. If so (a) for how many years have these grants been in effect (b) what sum does each cadet receive annually (c) is the government considering increasing this amount in order that it be in keeping with the budget for defence?

[Mr. Davis.]

[*Translation*]

Hon. Léo Cadieux (Associate Minister of National Defence): 1. Sea, army and air cadets do not receive pay and allowances as such. However, cadets who attend a six weeks summer camp receive a bonus of $100.00. Sea and army cadets may receive an additional $10.00 or $20.00 per year for prescribed standards in signalling or communications providing the standard of proficiency is maintained. In addition a number of cadets are receiving flying scholarships worth $545.00 each.

2. (a) Bonuses since 1948; flying scholarships since 1946. (b) See (1) above. (c) No.

[*English*]

LEVIS, P.Q., POSTAL DISTRIBUTION SERVICE

Question No. 213—**Mr. Caouette:**

1. What were the details of the last tenders submitted on April 19, 1967, regarding the combined urban postal distribution service at Lévis?

2. What were the names of the tenderers?

3. What was the amount of each tender?

4. Was the contract awarded?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): 1. Tenders were called for a combined urban services mail contract at Lévis. These were receivable up to 3:00 p.m. on Wednesday, 19th April 1967.

2. Oscar Couture, 13 L'Abbaye, St-Romuald, 12 cents per item; Jean-Baptiste Carrier, 706 Commerciale, St-David, 13½ cents per item; Roger Boulanger, 36-A Barras, Bienville, 15 cents per item; Bernard Raymond, 119 Ave. Roy, St-Lambert-de-Lévis, 15 cents per item; J.-Jacques Picard, 7 Dumont, Lauzon, 17 cents per item; Paul-Emile Gosselin, 7 Ste-Anne, Lauzon, 20 cents per item; Denis Gosselin, 40 St-Gilbert, Lauzon, 22 cents per item; Guay Transport Enrg., 66 Samson, Lévis, 24 cents per item; Maurice Létourneau, 346 St-Joseph, Lauzon, 24.8 cents per item.

3. See No. 2.

4. No. The contract will be awarded to the lowest tenderer who is able to meet the requirements of the service.

[*English*]

ELIGIBILITY OF NON-CANADIANS TO SEEK ELECTION

Question No. 226—**Mr. Stanbury:**

At the date of the last general election, how many persons resident in Canada who were not Canadian citizens (a) were entitled to vote and seek election (b) were not entitled to vote and seek election?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Chief Electoral Officer as follows:

Amongst other qualifications, the Canada Elections Act requires an elector to be a Canadian citizen or other British subject. In the case of a British subject other than a Canadian citizen, he must have been ordinarily resident in Canada for the 12 months immediately preceding polling day. The act does not require an elector to specify whether he is a Canadian citizen or other British subject. Consequently, no information is available.

IMMIGRANTS FROM JAMAICA AND WEST INDIES

Question No. 230—**Mr. Fawcett:**

1. Does Canada have a certain annual quota of immigrants from Jamaica and/or the West Indies?

2. If so, what is that quota?

3. What procedure is followed in ascertaining the levels of education and employable skills of immigrants from the West Indies?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1. No.

2. Not applicable.

3. The level of education and employable skill of an immigrant from the West Indies, or any other country, is ascertained from information provided by the person on his application, by documentary evidence submitted, as well as by means of a personal interview.

H.M.C. DOCKYARD, HALIFAX, EXPANSION

Question No. 260—**Mr. McCleave:**

1. Has the Department of National Defence plans to expand H.M.C. Dockyard, Halifax, on the land side in the next five years?

2. If so, what areas are involved?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. Piers 2 and 3 were taken over recently from the National Harbours Board thus resulting in the expansion of H.M.C. Dockyard, Halifax. There are no other plans for expansion of the dockyard site on the land side in the next five years. However, long term development plans may result in the removal of some of the older buildings and their replacement by modern new construction.

2. Not applicable.

QUESTIONS PASSED AS ORDERS FOR RETURNS

IMMIGRANTS ENTERING CANADA IN 1966

Question No. 173—**Mr. Allard:**

1. How many immigrants entered Canada in the calendar year 1966?

2. How are they classified by countries of origin?

3. How many were English speaking and how many French speaking?

Return tabled.

ASSISTANCE TO PROVINCES IN TECHNICAL TRAINING PROGRAM

Question No. 217—**Mr. Allard:**

1. For the fiscal year 1966-1967 under the terms of the Technical and Vocational Training Assistance Act (a) how many requests from each province for financial assistance in respect of capital expenditures for training facilities have been approved (b) what is the share to be paid by the federal government to each province as a result of these approved requests (c) how many requests from the province of Quebec have been approved and what was the federal contribution in each case (d) how many requests from Quebec have been rejected (e) how many requests from Quebec are still under consideration?

2. In relation to the formula of equitable distribution among the provinces of federal contributions made under the terms of the Technical and Vocational Training Assistance Act concerning financial aid in respect of capital expenditures for training facilities, how much has the federal government paid or agreed to pay to each province, giving the sums in dollars, and in the percentage of the total sum which each province is entitled to receive under the terms of the said formula, and how much has the federal government yet to pay or agreed to pay to each province under the terms of this formula?

Return tabled.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notices of motion Nos. 12 and 13 are acceptable to the government, subject to the usual reservations concerning confidential documents and the agreement of the provincial government authorities concerned.

Mr. Speaker, I ask that the other notices of motion be allowed to stand.

[*English*]

Mr. Speaker: Subject to the reservation and conditions expressed by the parliamentary secretary, is it the pleasure of the house that notices of motion Nos. 12 and 13 be deemed to have been adopted?

Some hon. Members: Agreed.

Inquiries of the Ministry

FEDERALLY ASSISTED SCHOOL MILK PROGRAM

Motion No. 12—**Mr. Ormiston:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of the exchange of correspondence between the government of Canada and the provincial governments since September 1, 1965, concerning a federally assisted school milk program.

Motion agreed to.

NAMES CONNECTED WITH SOUTH SASKATCHEWAN PROJECT

Motion No. 13—**Mr. Ormiston:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of the exchange of correspondence between the government of Canada and the government of Saskatchewan regarding the naming of any features, sites or facilities of the South Saskatchewan river development project.

Motion agreed to.

EXTERNAL AFFAIRS

MIDDLE EAST—MEETING BETWEEN PRESIDENT JOHNSON AND PREMIER KOSYGIN

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in facing the serried ranks of the cabinet, it is difficult to know to whom the question should be placed, but I assume it should be addressed to the genial Minister of National Defence. I should like to ask him two questions, the first of which is whether the government of Canada is doing everything it can in the interests of world peace to impress upon the President of the United States the imperative need of a meeting with Premier Kosygin in New York?

Hon. Paul Hellyer (Acting Prime Minister): Mr. Speaker, in reply to this first question I can assure my right hon. friend and the house that the government of Canada is doing everything it can in the interests of world peace in attempting to bring together the four great powers to discuss the problems which are facing the world at this moment. The Prime Minister has made this position very clear and has already in private discussions with the leaders of some of our allies urged upon them the importance of the great powers getting together, preferably within the confines of the United Nations, but in any event getting together, to discuss the problems of the Middle East and how they might be reconciled.

[Mr. Speaker.]

Mr. Diefenbaker: May I repeat the first question. I did not ask anything about the Big Four meeting. I asked whether the Canadian government was impressing upon the President of the United States, Canada being one of the closest friends of the United States, the need of meeting with Premier Kosygin.

Mr. Hellyer: I know that the Prime Minister discussed this question with the President earlier in the context of the Big Four meeting. I cannot say specifically whether there has been conversation in the last day or two following Mr. Kosygin's statement at the United Nations; but I will be glad to refer this question to the Prime Minister and to suggest that it would be desirable to urge upon the President the desirability of a meeting if it can possibly be arranged.

Mr. Diefenbaker: Thank you.

Mr. H. A. Olson (Medicine Hat): A supplementary question, Mr. Speaker. It is reported that the Secretary of State for External Affairs had a meeting with Premier Kosygin very recently. Perhaps the minister could advise us whether the Secretary of State for External Affairs attempted to encourage a meeting between Premier Kosygin and the President of the United States at that meeting.

Mr. Hellyer: I am afraid that I have no information in this respect, Mr. Speaker.

UNITED NATIONS

MIDDLE EAST—CANADIAN ATTITUDE RESPECTING INCLUSION OF JERUSALEM WITHIN ISRAELI TERRITORY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): My second question is whether the minister will advise us as to the attitude of the government of Canada regarding the question in respect of the entire city of Jerusalem being within Israel? I ask that question because of the statement made today by Foreign Secretary Brown of the United Kingdom at the United Nations, and because of the interview reported this afternoon about the statement made in Paris by General de Gaulle.

Hon. Paul Hellyer (Acting Prime Minister): In respect of the second question, I think my right hon. friend will realize that I would not wish to comment on that matter, beyond reaffirming the position of the government that the question of withdrawal would in our

opinion have to be related to a settlement of the basic political issues of the Middle East.

I think this is the position of principle which the government has taken, and it is one which is very important if we are to reconcile the problems there in such a way that they do not result in a further conflagration in the years ahead.

Mr. Diefenbaker: Mr. Speaker, I must say that the minister deserves congratulation for the manner in which he answered both those questions.

Some hon. Members: Oh, oh.

LABOUR CONDITIONS

CAPE BRETON, N.S.—PERMISSION TO STOCKPILE STEEL PENDING FULL EMPLOYMENT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, in the absence of the ministers responsible I should like to direct my question either to the Acting Prime Minister or to the Minister of National Health and Welfare who is the cabinet representative for the province of Nova Scotia. In view of the fact that reports from Cape Breton indicate that the Sydney steel plant lay-off has now passed the 1,200 mark, which for a community of this size is a crisis of major proportions, could I ask whether the government has reached any final decision with respect to the representations made by the Nova Scotia delegation last week for advances to enable the steel company to stockpile soft steel until such time as the market makes full employment possible again?

Mr. Speaker: Order, please. The question cannot be asked of the Minister of National Health and Welfare in his capacity of cabinet representative for Nova Scotia. I believe it can be directed to a responsible minister or the Acting Prime Minister.

Hon. Paul Hellyer (Acting Prime Minister): Under the circumstances, Mr. Speaker, I think the best thing I can do is take the question as notice.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask a question arising out of the question just asked. I do not like that distinction of differentiating between ministers, some responsible and others irresponsible.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I would ask the Acting Prime Minister whether a communication has been received from Mr. D. A. McKay, president of the Louisbourg Board of Trade, insisting that the part of the S and L line from Broughton Junction to Louisbourg be included with the rest of the Cumberland Railway property in the Cape Breton Development Corporation bill. If such a message has been received, will it receive the attention of the government before the bill comes back for continued consideration?

Mr. Hellyer: Mr. Speaker, I have not been made aware of the receipt of the message. If it has been received I can assure my right hon. friend that it will be given consideration at once.

Mr. Douglas: Mr. Speaker, I have a question supplementary to my previous question. May I ask whether in view of the very serious situation at the steel mill at Sydney, Cape Breton, the Acting Prime Minister would request the Minister of Industry or the Minister of Finance to make a statement tomorrow as to what action the government intends to take to meet this critical situation?

Mr. Hellyer: I will be glad to pass along the request, but there are some difficulties. As my hon. friend knows, the ministers are now engaged in very important discussions and it may not be physically possible for them to give this matter the consideration it deserves between now and tomorrow. But I will certainly pass along the request.

Mr. Douglas: Would the acting minister give the statement tomorrow?

[*Later:*]

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is directed to the Acting Prime Minister. It is in reference to the time element that he mentioned a moment ago and is supplementary to the question asked about steel.

In view of the fact that the delegation from Sydney in connection with the steel situation met with the Prime Minister and with some members of the cabinet one week ago today, and in view of the fact that the Minister of Industry advised me on Friday last that, to use his words, "we are working on it", could the minister not assure us that there will be a statement made tomorrow about the very serious lay-offs of so many workers from the Sydney steel plant?

Inquiries of the Ministry

Hon. Paul Hellyer (Acting Prime Minister): Mr. Speaker, I wish I could give that assurance, but I cannot without knowing whether or not it is physically possible. I will certainly bring the representations that have been made and the urgency of the situation to the attention of the minister.

EXTERNAL AFFAIRS

ANGUILLA—POLITICAL AFFILIATION WITH CANADA

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the Acting Secretary of State for External Affairs. Can he advise us whether representations have been received from authorities in Anguilla requesting political affiliation of that island with the Dominion of Canada and, if so, can he advise what consideration is being given to such a request?

Hon. Paul Hellyer (Minister of National Defence): I will have to take that question as notice.

EXTERNAL AID

MIDDLE EAST—REPORTED SHORTAGE OF FOOD FOR REFUGEES

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to address my question either to the Acting Prime Minister or, if he is a little weary of answering questions, to the parliamentary assistant to the Secretary of State for External Affairs.

An hon. Member: He is not here either.

Mr. Brewin: The question is: Has the government received from the secretary general of the United Nations a report from Mr. Michelmore, the commissioner general of the United Nations Relief and Works Agency, stating that the supply of food for the refugees in Palestine and other neighbouring countries is critically low, and does the government contemplate action in respect of this emergency?

Hon. Paul Hellyer (Acting Prime Minister): Mr. Speaker, I am not aware of any such report but I did check, just before coming into the house, about the food situation in the Middle East and I was assured that there is no shortage of the basic foodstuffs. The report is that these are in adequate supply, but that the critical problem at the moment is distribution. In so far as distribution is concerned, the Canadian government is making inquiries to see how we can assist in improving the distribution methods. I understand that, in addition, cash is required for certain items. However, the fundamental and basic rations are in adequate supply.

[Mr. Muir (Cape Breton North and Victoria).]

Mr. Brewin: May I ask the Acting Prime Minister a supplementary question? Has it been called to the attention of the government that in this report it is stated that at the end of the next three weeks there will be a lack of food affecting a million Arab refugees in the Middle East unless immediate action is taken?

Mr. Hellyer: Not having seen the alleged report I cannot say, but the information I gave was in respect of the immediate situation. I can tell the house, however, that the officials of the Canadian government are looking into this whole question and are preparing a paper for the government, which I understand will be ready tonight or tomorrow, and which will receive the sympathetic consideration of the government, if not tomorrow then very soon in any event.

AIR TRANSPORT

REQUEST FOR ADDITIONAL ACCOMMODATION

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): I have a question for the Minister of Transport but in his absence I should like to direct it to his parliamentary secretary and ask him whether, in view of the apparent shortage of travel space on Air Canada and other air lines, and the apparent inadequacy of rail accommodation, the government would not consider consulting officials of these transportation media with a view to coming up with some solution, especially in this centennial year when many visitors are travelling to Expo and other places. Could consideration be given perhaps to the use of other air lines, as was done at the time of the Air Canada strike earlier this year, so as to provide better accommodation for the travellers?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am sure the minister is aware of the very serious situation which has developed and he is doing everything possible to alleviate it. However, I will bring this very important question to his attention.

Mr. Starr: Why bring it to his attention if the hon. member is sure he is aware of it?

Mr. George Muir (Lisgar): I have a supplementary question for the parliamentary secretary. Would he be able to inform the house when the additional service of the Canadian Pacific Airlines will be inaugurated?

Mr. Byrne: Mr. Speaker, the vice president of the Canadian Pacific Airlines was in my office yesterday—

Mr. Nielsen: Was there enough room in there for the two of you?

Mr. Byrne: —and if I recall correctly he did say he would expect to bring this service into operation some time in August or September. However, this was not confirmed as there was some difficulty about obtaining aircraft deliveries.

[*Later:*]

Mr. Robert McCleave (Halifax): Mr. Speaker, I have a supplementary question for the parliamentary secretary to the Minister of Transport. As one of those who has travelled on so many milk runs of Air Canada that the sour cream is starting to bubble out of my ears, would the parliamentary secretary again ask the Minister of Transport whether he would make possible a truly trans-Canada air line system by allowing Canadian Pacific Airlines to operate flights in the maritimes?

Mr. Speaker: Order. The question is much too large in scope to ask at this time.

EDUCATION

SUGGESTED CREATION OF NATIONAL MINISTRY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Acting Prime Minister. It deals with education, a subject in which I know the minister has had a great interest for the last year or so.

Has the Acting Prime Minister any information to give the house with respect to the decision of Canada's education ministers at a closed meeting in Toronto yesterday to form a Canadian council of ministers of education with a secretariat of 35 permanent staff, and to recommend the creation of a national ministry of education?

Hon. Paul Hellyer (Acting Prime Minister): Mr. Speaker, no information on this subject has come to my attention.

DRUGS

SURVEY OF RETAIL PRICES TO ASCERTAIN INCREASE

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the Registrar General, who I understand has assumed some additional responsibilities for consumer affairs. The day before yesterday, in response to a question I had asked the Minister of Finance, the minister answered, in part, that the government is determined that the advantage from the removal of sales tax on drugs will be passed on to the consumer. I wonder whether the minister can advise the house whether or not he or his department are taking any steps to survey the retail price of drugs to ascertain if any increase in price takes place between now and September?

Hon. John N. Turner (Registrar General): Mr. Speaker, I made some mention of this last Friday when speaking in defence of my estimates before the committee. Officials of the Registrar General's department will be examining the competitive forces in the drug industry very closely during the coming months, as well as their effect upon prices to the consumer. I said last Friday, and I say again, that the effect of the removal of the sales tax and the lowering of the tariff, while beneficial, will necessarily be limited. Upon receipt of the final report of the special committee on drug costs and prices the matter was referred immediately to my departmental officials and other interested departments, and has since been given intensive study. We will be looking at the price range very closely during these summer months, and any further announcement about legislation in this connection will be made in the autumn.

Mr. Olson: A supplementary question: Can the minister advise the house whether to date this intensive survey which has been carried on by his officials indicates whether or not there has been any increase in the price of drugs since June 1?

Mr. Speaker: Order. I think this is the type of information that should be given by way of statement on motions, not by way of an answer to a question.

Inquiries of the Ministry

TELEVISION

TORONTO, ONT.—REQUEST THAT APPLICATION FOR ADDITIONAL OUTLET BE WITHHELD

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I wish to ask a question of national importance which affects especially southern Ontario, and I direct it to the Secretary of State. In view of the continued attempts by the television representatives in Barrie to sneak into the Toronto market by the back door, will the minister assure the house that no new television outlet, to serve the 2 million people of metropolitan Toronto, will be permitted without an open hearing being held at which all interested applicants may be heard and considered, and at which the interests of the 2 million viewers of the area may be protected.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, the hon. member has been wearing a cloak of some sort of independence, and in this instance is insulting me and the Board of Broadcast Governors. I should like to let him know, if he is incapable of reading the legislation, that applications are made by interested people, as these individuals are entitled to do, to a Board of Broadcast Governors which has been duly appointed but which is not otherwise influenced in any way by the government or any member thereof.

Some hon. Members: Oh, oh.

Miss LaMarsh: When the board makes its report I shall know exactly what the hon. member knows about that application.

Mr. Scott (Danforth): A supplementary question, Mr. Speaker. Might I address a courteous question to the minister. As she knows, everybody in southern Ontario—

Mr. Speaker: Order, please. The hon. member is entitled only to ask a supplementary question.

Mr. Scott (Danforth): In view of the fact that any such decision by the B.B.G.—

Some hon. Members: Question.

Mr. Scott (Danforth): Really, Mr. Speaker, I do not understand the sensitivity of some hon. members on the opposite side. I know that this is a sensitive problem.

Mr. Speaker: Order, please. Will the hon. member ask his question.

Some hon. Members: Question.

[Mr. Speaker.]

Mr. Scott (Danforth): How can I, Mr. Speaker, with these rapid-fire remarks that are coming at me.

Some hon. Members: Question.

Mr. Scott (Danforth): I shall return to my usual form—

Mr. Speaker: Order, please. The hon. member should remember that we have 30 minutes only today, and the way he is going he may use most of it. If he has a question, I suggest that he ask it.

Mr. Scott (Danforth): Mr. Speaker, in view of the fact that—

Some hon. Members: Question.

Mr. Scott (Danforth): I stand subject to correction, but considering that such decision must be approved by the cabinet, before any new outlet is authorized, can we have the assurance of the minister that any cabinet minister at least will ensure that a fair hearing is given to applicants making applications before any new television outlet is opened in this important area.

Miss LaMarsh: Mr. Speaker, I think that my hon. friend, who is not a resident of or representative of the people of southern Ontario—as indeed I am,—should be aware that the B.B.G. will make its recommendation, under law, to the cabinet. The cabinet will then, as it has in every instance except one so far, very probably affirm whatever that decision is. In the whole history of the B.B.G. there has been only one instance of a reversal, and that was in the public interest. I would ask my hon. friend to realize that members of his party are not the only individuals in Canada who are primarily motivated by the public interest.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. Has the hon. member another supplementary question?

Will he kindly resume his seat.

He has asked one supplementary question, and I suggest that this exchange is developing into a debate rather than an exchange of questions and answers.

Mr. Churchill: That is because of the minister's replies.

Mr. Speaker: I suggest that we go to another question.

Mr. Scott (Danforth): I am sorry, Mr. Speaker, but I rise on a question of privilege.

I cannot permit that kind of discourteous answer.

Some hon. Members: Oh, oh.

An hon. Member: Sit down.

Mr. Speaker: Will the hon. member kindly state his question of privilege.

Mr. Scott (Danforth): My question of privilege is that I have been told by the minister that apparently I do not represent anybody in southern Ontario; I cannot permit that. Nor can I permit the cavalier and discourteous attitude which has been shown to the people of southern Ontario—

Some hon. Members: Oh, oh.

Mr. Scott (Danforth): —by the minister's reference.

Mr. Speaker: What the hon. member has said up to now does not show that his personal privileges as a member of parliament have been affected. This is the only basis on which he might raise a question of privilege.

Mr. Scott (Danforth): Apparently we cannot expect honest, courteous and decent answers from the minister.

Some hon. Members: Oh, oh.

DOMINION DAY

CENTENNIAL CELEBRATION IN PRESENCE OF HER MAJESTY

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, as the Secretary of State is imbued with her usual geniality, may I ask her if she would indicate the arrangements which have been made for the participation of the public in the July 1 centennial celebrations on parliament hill when Her Majesty the Queen is to be present. Can the minister state what will be the anticipated role of hon. members of the Senate and House of Commons?

Hon. Judy V. LaMarsh (Secretary of State): I should be very happy to do this. It will be somewhat lengthy but, if I might be forgiven, speaking about the matter in this house is the best way to get the information to members of the two chambers, who I regret have not been informed by the appropriate authorities which, in turn, are not responsible to the Secretary of State's department.

Having only just received this information, I wish to say this: The information is that on the morning of July 1 there will be two events; both of these are to be held, so far as possible, on the main lawn outside the parliament buildings. The first is a service of thanksgiving and dedication which will be conducted by leading clergymen of eight representative faiths in the presence of Her Majesty the Queen, and will be followed immediately by a parliamentary ceremony in which the Speakers of the House of Commons and Senate will present loyal addresses to Her Majesty, and to which Her Majesty will reply.

That morning program will commence at 10.30 a.m. and should end at about noon. All invited guests, which include the wives of members of both chambers, the judiciary, all privy councillors—not only of either chamber—will be asked to be in their seats by ten o'clock.

This is to be a parliamentary occasion and members and senators will be seated on the main platforms which will be erected on either side of the stage which has already been set up at the main steps. Their wives, the diplomatic corps and all other invited guests will be accommodated in chairs at ground level in front of the main platform. The dress for invited guests, all of whom I believe have now received their invitations, is directors' or lounge suits for men and afternoon dress and hats for ladies. I think it is particularly important for members of the Senate and the House of Commons to realize that this is an occasion on which they are playing host to the head of their state, the Queen of Canada, and they are all expected to be in attendance. Her Majesty will be in full regalia. The general public is welcome to occupy the space on the lawns themselves, and though for this particular occasion no seats have been provided, platform facilities have been designed to provide the public with as clear and unhampered a view as possible.

Should the weatherman fail to co-operate on our one hundredth birthday the entire morning ceremony will be held inside. The same guest list will apply, but unfortunately this would mean that the public cannot be accommodated. In order to overcome this, however, indoors or out of doors the morning program will be carried in its entirety by the Canadian Broadcasting Corporation.

In the afternoon, parliament hill will be given over to what I hope will be the biggest birthday party Canada has ever seen. With the exception of special arrangements for crippled, blind and retarded children, there will be no guest list—except for the people of

Canada. The only limit is the physical capacity of parliament hill grounds to receive them. This will be a real birthday party with cake, ice cream, soft drinks, bands, choirs, clowns, strolling minstrels, flags and balloons—everything we can do to make this a tremendous birthday party. It will run from 2 p.m to 4 p.m. and Her Majesty will be present briefly. She has graciously consented in our celebration to cut with a knife which her grandfather had previously used a giant birthday cake.

I should like to issue a special invitation to members and their families to join in the fun with the thousands of Canadians, who I hope will not just be from the Ottawa area, but will include those who are planning to visit our capital from other parts of the country for this very special day in our history.

• (3:10 p.m.)

The evening program on the hill itself will consist of a repeat performance of the folk arts concert given in the presence of Her Majesty the previous day, and a giant fireworks display just before midnight. Of course, the general public is welcome.

In addition, that morning the confederation train will be opening in Ottawa, and during the afternoon, at the same time as the birthday party being held on the hill, there will be at Lansdowne park something which has been characterized as a "Royal Hulabaloo." This program is especially designed for teenagers, with appropriate bands and other entertainment, and again members of the general public are welcome, up to the capacity of the stadium. With the spanking new stadium in Ottawa the Registrar General of Canada has graciously deigned to greet an audience of 15,000 Canadians, at which time Her Majesty will also attend this event.

Hon. members are also aware, as are members of the upper chamber, of the garden party which is to be held by His Excellency the Governor General at 4.30 p.m. at Government House. This will be an occasion when hon. members, senators, their wives, and other guests who will have received invitations to the function, will be presented. Dress again is lounge suit for gentlemen and afternoon dress and hats for ladies.

That evening there will be a special royal performance of Son et Lumière at Nepean Point, at which time the host will be the Leader of the Senate, Hon. John J. Connolly. Since hon. members were invited to the première of this project, and since the government is trying to give as many people as possible an opportunity to attend functions in the presence of Her Majesty, there will be a special guest list for this event to include people such as the aged and infirm, but which will not include members and senators.

Some hon. Members: Oh, oh.

Miss LaMarsh: This will be no disappointment to hon. members who naturally would not expect to be included among the aged and infirm.

Every attempt is being made to provide an opportunity for the people of Canada as they come to the national capital to meet Her Majesty, or at least to see her, and every attempt is being made to provide every opportunity for the people's representatives in both chambers of the parliament of Canada, and their wives, to meet Her Majesty.

Although it is not my responsibility, I apologize to hon. members of both chambers, and to their presiding Speakers, for the fact that this information has not been widely distributed earlier, but I would ask hon. members to remember that they are in fact the hosts for this occasion. Notwithstanding the undeniable demand of their own constituents who have sent them here to represent them, they are in fact representing the people of Canada by receiving in their own name the Queen of Canada, and I ask them to be present accordingly.

Some hon. Members: Hear, hear.

THE CANADIAN ECONOMY

SUGAR—INCREASE IN PRICE

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question I would like to ask the Registrar General. Could the minister indicate why the price of a 10 pound bag of sugar has risen in Canada's third largest city from 95 cents at the beginning of June to $1.12 at the present time?

Mr. Speaker: Order, please. Orders of the day.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

1. Departmental administration including recoverable expenditures on behalf of the Canada Pension Plan and $500,000 for health grants and

welfare grants, under terms and conditions approved by the Treasury Board, for research and demonstration activities in the field of mental retardation, $4,127,000.

The Chairman: Order. House again in committee of supply. Estimates of the Department of National Health and Welfare for the fiscal year ending March 31, 1968. Vote No. 1 will be found on page 338 of the blue book. The details are on page 341. Shall vote No. 1, carry?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Chairman, the estimated expenditures of the Department of National Health and Welfare, which parliament is being asked to approve for the year 1967-68, amount to $2.8 billion for all programs, including payments from the statutory Old Age Security Fund.

This represents 26 per cent of the comparable federal government expenditures forecast for the same year and reflects the continued growth of the department as a result of the government's increasing concern with the health and welfare of the people of Canada. In the past five years alone, the department has been assigned responsibility for such major programs as the Canada Pension Plan, the Canada Assistance Plan, the guaranteed income supplement, youth allowances, the health resources fund and medicare—all designed to ensure for Canadians the highest standards of health and to ensure that when through age, infirmity or some other limitation, they can no longer work they will receive a true measure of protection.

Our anticipated expenditures for 1967-68 at $2.8 billion breaks down into three basic segments:

1. $1.4 billion for forecast expenditures from the statutory Old Age Security Fund which, as hon. members will note, is stated separately at the foot of the table on page 5 of the printed estimates as a non-budgetary item;

2. $1.3 billion for budgeted statutory items; and

3. $131 million to be voted by parliament.

These represent an increase of $452.5 million, or 19 per cent over last year. The major components of this increase are as follows: a $327 million or 3 per cent increase in payments from the Old Age Security Fund; a $117.7 million or ten per cent increase in budgeted statutory items; and a $7.8 million or 6 per cent increase in voted items.

The $327 million increase in payments from the Old Age Security Fund reflects both the lowering of the eligibility age to 68 on January 1, 1967, and to 67 on January 1, 1968, as well as the introduction of the guaranteed income supplement with effect from January 1, 1967.

The $117.7 million increase in budgeted statutory items includes a $160 million increase for the new Canada Assistance Plan; a $41 million increase in hospital insurance reflecting both an increase in out-patient and in-patient costs as well as a net increase in population; a $30 million increase for the new health resources fund; a $1.5 million increase in family allowances reflecting an increase in the number of children for whom allowances are paid; a $190 million decrease in unemployment assistance reflecting the transfer of payments under this act to the Canada Assistance Plan Act; and a $5.8 million decrease in old age assistance reflecting the reduction in the eligibility age for payments from the Old Age Security fund.

• (3:20 p.m.)

The $7.8 million increase in voted items includes: a $2.8 million increase in the cost of operating the medical services program which reflects mainly an increase in the service and costs of providing service for Indian and northern health; a $2.6 million increase in the cost of operating the welfare services program which reflects the build-up of staff to administer the Canada Pension Plan, the guarantee income supplement and the Canada assistance plan.

There is a $1.3 million increase in the costs shown under vote 1, departmental administration; $500,000 represents new health and welfare grants for research and demonstration activities in the field of mental retardation; $800,000 represents some addition to central administrative services staff resulting from the growth in operating programs and some addition of staff to strengthen financial and personnel management in line with the Glassco concepts.

There is a $1.2 million increase in the cost of food and drug services which reflects the further strengthening of inspection and enforcement activities in the areas of food and drug plant inspections, examination of imported foods and drugs and more thorough evaluation of submissions for the introduction and sale of new drugs, chemical food additives and pesticides; a half million dollar increase in national welfare grants reflecting the last annual increase for these grants to a maximum of $2.5 million as authorized by cabinet; a $500,000 increase in the cost of

operating the health services program which reflects mainly the acquisition of equipment to support my department's contribution to the International Joint Commission's study of water pollution in the great lakes system and to improve our capability for research in the important fields of air pollution and radiation protection; a $400,000 increase in funds available to the provinces for commitment under the general health grants program. The cash required for payment in this fiscal year is, however, forecast at $1.1 million less than last year.

This broad picture of the department's proposed expenditures for 1967-68 focuses attention on the introduction of several new programs. Each constitutes a significant step toward a comprehensive health and welfare service for the people of Canada and I would, therefore, like to report on their development.

About 700,000 Canadians or 57 per cent of the 1,240,000 old age security pensioners are now receiving the guaranteed income supplement. Some 430,000 are receiving the full $30 supplement and the average for those receiving less than the maximum is approximately $18.95 per month. From this experience my department is now forecasting expenditures of $240 million in 1967-68.

The administration of this program has been handled by the staff of the old age security directorate of the department with the addition of a corps of casual employees for the initial steps of mailing, receiving and processing applications. The local offices of the Canada Pension Plan, National Revenue and the Unemployment Insurance Commission were made available to assist pensioners in making application.

The Canada Assistance Plan, enacted by parliament on July 15, 1966, to have effect from April 1, 1966, is a comprehensive measure for sharing the cost of public assistance and welfare assistance with the provinces and municipalities, with a view to encouraging the provision of adequate assistance and the improvement of services that have a preventive and rehabilitative emphasis. The act emphasizes the need for adequate assistance to be provided to persons in need and gives special emphasis to the development of welfare services which have as their object the lessening, removal or prevention of the causes and effects of poverty, child neglect, or dependence on public assistance. It thus goes beyond the concept of assistance as such and places major emphasis on the importance of prevention and rehabilitation.

[Mr. MacEachen.]

During the year a great deal of the time of the welfare branch has been devoted to the development of regulations and agreements and, after extensive consultation with the provinces, regulations under the plan were adopted on January 26, 1967. Agreements were forwarded to the provinces for signature in February and to date nine provinces have entered into agreements and it is expected that the agreement with the remaining province will be concluded in the very near future.

The Canada Pension Plan began operation on January 1, 1966, when the initial contributions became payable. The first retirement pensions were paid in January of this year and, as of April 30, there were 4,449 Canadians receiving retirement pensions. It is estimated that, by the end of 1967, 18,000 Canadians will be receiving this pension and, by the end of 1968, 40,000. This indicates the advances being made with this most important program and I should like to take a little time to outline major areas of progress to hon. members.

The organization of the Canada Pension Plan administration has progressed to the point where 37 district offices of the administration are open on a full time basis. In addition, services are provided as required in 89 local offices of the Unemployment Insurance Commission and the Department of Manpower and Immigration. By combining the offices of these three agencies, we are able to provide a nationwide network of service to the public.

Work is proceeding within the Canada Pension Plan administration on survivors' benefits which are scheduled for payment for the first time in February, 1968. Current planning involves an intensive and detailed study of all provisions in the legislation relating to these benefits, drafting of regulations, the adaptation of certain procedures already developed for administration of retirement pensions, the development of procedures unique to survivors' benefits and a specialized training course for staff in the administration of this important aspect of the Canada Pension Plan. Further planning and organization in relation to the administration of disability pensions, effective in May, 1970 will proceed on schedule.

The Pension Appeals Board has been established, with Hon. Paul Emile Cote, Judge of the Superior Court of Quebec, as chairman and hon. Mr. Justice Alfred Monnin,

Court of Appeals of Manitoba, and His Honour, Judge M. L. Tyrwitt-Drake, County Court, Victoria, British Columbia, as the other members. I would add that the Pension Appeals Board has been designated by the government of Quebec to be the review commission under the Quebec pension plan.

Contributions received throughout the calendar year 1966 totalled more than $566 million. It is interesting to note that this compared with the actuarial forecast of $425.7 million and that the major reasons for the difference were that the forecast was based on a lower level of average earnings and on a higher rate of unemployment than has actually occurred. Costs of administering the plan by the Department of National Health and Welfare, the comptroller of the treasury, the Department of National Revenue, the Department of Public Works and the Unemployment Insurance Commission are estimated at $10.7 million for the fiscal year 1966-67 and $13 million dollars for the fiscal year 1967-68.

• (3:30 p.m.)

It will be recalled that the Health Resources Fund Act was passed in July, 1966 to supplement the government's proposals for a medical care program. The health resource program has retroactive effect to January 1, 1966 and provides for payments to the provinces of up to 50 per cent of the reasonable cost of acquiring, constructing, renovating and equipping a health training or research facility. A fund of $500 million is now available for a carefully phased program extending over a 15 year period.

Preliminary programs for the development of health training facilities over the next five years have been submitted by the provinces. The newness of the health resources program has resulted in many of these programs containing very tentative information on the amount and timing of costs to be incurred with respect to individual projects. Indications are, however, that claims against the fund will approximate $30 million in 1967-68 as is shown in the estimates. Projects totalling some $16 million of contributions from the fund have been approved to date.

The start of the medical care program is scheduled for July 1, 1968 and there is, of course, no amount included in these estimates for contributions to the provinces. However, since the passage of legislation, departmental officials have continued consultation with provincial officials and a federal-provincial conference was held several weeks ago. From all indications it would appear that the provinces are proceeding with the necessary action to complement federal legislation, thereby making possible a nation wide system of prepaid medical care.

Let me now refer to the subject of mental retardation. As one of the top ranking causes for disability among all age groups, mental retardation is regarded as a major national health, social and economic problem. It is responsible for immeasurable and prolonged frustration and loss to the retarded individual's family as well as a great loss in economic output to society.

The government has recognized that mental retardation is of national concern and warrants increased financial support for programs specifically designed to prevent and alleviate this disability.

Several avenues have been explored to date. For example, under our grants to welfare and related organizations program, the annual contribution towards the administrative and general costs of the Canadian Association for Retarded Children started at $5,000 in 1959-60 and has been increased over the last few years to $40,000. This annual, unconditional support is equivalent to an income of 5 per cent on an investment of $800,000.

Through the program of the Department of Manpower in conjunction with the provinces it is expected that a large sum will be made available for the capital construction aspects of some of the crusade projects undertaken by the Canadian Association for Retarded Children. Some of the crusade projects relate to vocational training, although I believe that negotiations are still going forward and final decisions have not yet been made.

Finally, in order that a comprehensive and effective approach may be made to the solution of both health and welfare aspects of problems related to mental retardation, a health and welfare research and demonstration grant has been established under which a sum of $2,500,000, is to be made available over the next five years. The beginning of this grants program is indicated under vote 1 of my departments estimates, by the inclusion of $500,000.

In this regard, I should like to pay a tribute to the Canadian Association for Retarded Children for the leadership and imagination shown in the crusade lauched to improve the lot of those Canadians affected by

mental retardation and to encourage research into this serious health and welfare problem.

In conclusion, I should like to say that the estimates for 1967-68 on which I have been commenting reflect the continuation of a vigorous pattern of growth which has made the department of National Health and Welfare increasingly important and vital in its impact on and involvement with the people of Canada. In the past 22 years expenditures of the department have increased almost tenfold from $295,600,000 in 1946-47 to the estimated $2.8 billion which is now being considered by this committee.

Mr. Rynard: Mr. Chairman, I should like to compliment the minister for his lengthy remarks in respect of the various activities of his department and for indicating to us what has been done, what he thinks has been done and what he hopes to accomplish. There has been considerable legislation passed in respect of health and welfare in the last three years, although some of it has taken a long time to implement, such as the medicare plan. I realize there have been problems, for example the lack of funds, and this can be readily understood when one considers that we are faced with the second greatest deficit, perhaps the greatest before the year is over, in peacetime. This has been accompanied by the highest cost of living and the highest taxes in our history.

Perhaps some of these measures should have been delayed. For that reason, I should like to ask the minister to give us an indication about legislative priorities. The minister also referred to the Canada Assistance Plan and other social welfare legislation.

I do not believe there has been a yardstick devised in respect of the sharing of costs which has been acceptable both to the federal and provincial governments. Let me illustrate my point. In the province of Ontario, as well as in others, the minimal income groups are covered by medical insurance. The provincial government pays 50 per cent of the costs and we find the federal government does not enter the picture and pay the other 50 per cent. I have drawn it to the attention of this house on more than one occasion that another group of our citizens, representing about 30 per cent of our population require medical coverage that they cannot finance. Why does the government not help the provinces in this regard? If the minister is as sincere as he sounds, and as I think he is, it seems reasonable to expect the federal government would do something in this regard rather than continue this wasteful duplication through bureaucratic practices that does not touch those marginal people when they are ill.

I should like to ask what has happened so far as the Canada Assistance Plan is concerned. We have set up boards which act as tribunals to which people can appeal if they feel they have been badly treated. I want to put on the record a case which came to my attention of a woman who had suffered severe physical and psychological trauma a few years ago. According to the manpower branch she is unemployable and certified as such. She is too old and unsuitable for retraining, yet this woman is not eligible for benefits under the Canada Assistance Plan. She has applied and has been refused. We may have the best social legislation in the world, but if it founders in a morass of bureaucracy it is not only useless, it is expensive.

Let me give another illustration of the jungle of bureaucracy in which the government finds itself. I received a report of a man who is 64 years of age and who served in two world wars. He did not get out of Canada during the last one but he was with the Queen's Own Rifles in Newfoundland training troops there for overseas duty. This man became paralysed after a stroke. He could not talk or get out of bed. His Ontario hospital insurance ran out and he was told he would have to get out of the hospital. At that time the case was drawn to my attention and I referred it to the Ontario Hospital Commission. They felt that something could surely be done.

• (3:40 p.m.)

But all that was done was to tell this man to go home, where his wife was ill and waiting for a bed in hospital. This is an example of how well some of the programs have worked. The Ontario Hospital Commission said this man was a veteran and came under the Department of Veterans Affairs at Ottawa. They said the department should look after him since he was in the first world war. This fellow could not speak. He had lost his papers and number. Remember he was also in the second world war. When this matter was taken up with the authorities they said he had never been out of Canada. He was in Newfoundland, Mr. Chairman, and Newfoundland was not part of Canada in 1942, 1943, 1944 and 1945.

I bring this case to the attention of the minister to point out the loopholes in the hodge-podge welfare legislation that has been brought before this house and passed. I do not

wonder that the minister wants to have a guaranteed income established because that will be the only way out of this jungle in which he finds himself. What happened to this man? They refused to treat him as a veteran. They said he did not qualify to enter Sunnybrook because he had not been out of Canada.

Then I called the local welfare department which finally took over the case and this man is today under custodial care. I bring this case to the attention of the minister to point out that there was a failure, not only at the provincial level but at the federal level as well. There was also a failure at the local level of communication. We have not much to boast about when a man who is defenceless, cannot get out of bed and cannot even talk, is treated in this way. I would point out that this man enlisted in the first world war when he was in his teens.

I could tell the minister about dozens of other cases where the same problem has arisen. It is because of these problems that the other day the minister of welfare said we will have to set up a system or committee whereby these people can be interviewed and assisted when refused help. What is wrong with the local authorities, the provincial governments and the federal government? Is there no co-operation or co-ordination so that a man will have his case fairly appraised? This type of wasteful bureaucracy must not be permitted. We in this country may be well off, but we are not that well off. We cannot afford all this duplication and waste, and at the same time pay the high costs of administration. I have referred specifically to this government but I suppose all governments are doing the same thing in a smaller way. We added 12,000 civil servants to the bureaucracy last year. There comes a time when bureaucracy should no longer be enlarged. Very soon we will have more chiefs than Indians, more civil servants than taxpayers.

I wish to spend a few minutes dealing with the problem of mental and tuberculosis hospitals. I ask the federal government why they categorize a man as a second class citizen because he is a mental patient. Is it not about time that in this Canada of ours we regarded a mentally ill person as being in the same category as a person who is physically ill? Just as many beds are occupied in this country today by the mentally ill as the physically ill. The federal government, despite all its magnanimity and its great welfare programs, will not provide assistance for the care of the mentally ill.

There are many blind areas in our welfare programs. The attitude toward the mentally sick is one of them. Why is the stigma of a second class citizen attached to a person who unfortunately becomes mentally ill? A mentally ill person is just the same as any other ill person. The only difference is that he becomes nervous and emotionally upset, instead of requiring his appendix to be taken out or having some other medical problem. The same thing applies to our tubercular patients, who fortunately are becoming less in number. It would not cost a great deal of money to include the cost of care of the mentally sick and our tubercular patients. The cost of a bed in a mental hospital is approximately one third of the cost of a bed for the medically ill or the person requiring surgery.

In this connection, I make a plea on behalf of the provinces. In the province of Ontario expenses rose 25 per cent last year. The federal government, with all the taxing powers it has, last year had an increase in expenses of only 14 per cent. I have a great deal of sympathy with the provinces. It is sometimes said the provinces are creating problems by saying they are not being fairly treated. This is a very good illustration of the fact that they are not being fairly treated. At the provincial level, expenditures are increasing much faster than they are at the federal level.

We must also remember that administrative costs fall entirely upon the province that administers the program. The federal government says it shares these costs of welfare 50-50. This is not so, because administration is entirely an expense of the province. The federal government will not even be sharing medicare costs 50-50 with the province of Ontario. It will be contributing much less than 50 per cent.

On the subject of psychiatric care in Canada, Dr. Alex Richmond said there was the greatest need to see that these people get adequate care, not only from the standpoint of the federal government accepting its share but in helping to get these people rehabilitated as quickly as possible. The longer a person stays in a mental hospital, the less his chance of complete recovery.

Then, there is the problem of alcoholism. About 2 per cent of the population today suffer from alcoholism; the number is around 400,000. Should not the costs incurred in treating these unfortunate people be shared equally by the federal government, which obtains very large sums of money in the way of

taxes from the sale of alcohol? Last year more alcohol was sold in this country than ever before. I ask, should the federal government not also assist people suffering from other forms of addiction?

I ask the Minister of National Health and Welfare why he does not go a little further than his predecessors and accept some responsibility in these fields. The treatment of these people should be accepted as a federal responsibility under a shared program. These people are Canadians; they are sick, and need treatment. With regard to shared programs, those provinces which have not the necessary funds with which to match the contribution of the federal government should be helped.

Then there is the crisis in the shortage of doctors. Not one medical university this year is providing a summer course. We will admit about 1,000 medical students to university this fall. The other day at Atlantic City the American Medical Association went on record as saying that the doctor shortage in the United States is very critical. They called for more schools. They accepted over 20,000 applications in this respect. You do not need to be a mathematician, Mr. Chairman, to figure out that this is 20 times the number we are accepting. You do not need to be a mathematician to know that the population of the United States is 10 times greater than that of Canada. On the same basis we should be accepting just double what we are, namely, 2,000.

What is being done to solve these problems? The lack of action on the part of the government is what alarms me. Has the minister taken cognizance of these problems, or does he stand back like Ferdinand brushing the flies off his back.

• (3:50 p.m.)

When the minister brought in the medicare legislation it was his responsibility to bring in measures to aid the provinces in producing doctors because the provinces by themselves do not have the resources to do it.

Dr. Jones stated the following in speaking about the health resources fund:

> Honesty compels me however to agree with the dean of every Canadian medical school and with practically every minister of health in this country, that the amount is grossly inadequate, and the fact that after two years only the very initial expenditures have been made gives point to my comments about difficult administration.

We hear nothing about the personnel to operate the hospitals. Are we to have a group of empty buildings with nobody in them? What is the use of putting up buildings if we do not fill them with personnel and equipment? I say to the minister that it is too bad that nothing was done to ensure that our Canadian medical schools would operate this summer. I disagree entirely with the minister's opinion that we will have a sufficient number of doctors, and I challenge his statement.

Dr. Dawson stated, after a good deal of exploration across this country and after having interviewed many medical schools, that it would be necessary to bring into this country 500 doctors per year. The Hall commission report is now some years old but its recommendations have not been carried out. I want to point out to the minister that a great responsibility lies on his shoulders because he himself admitted that the implementation of medicare will increase the workload of the doctors. I agree with him.

I should like to deal now with the question of priorities in medical care, and I thank the minister for being good enough to send me his speech in which he mentioned this subject. I want to ask him, who will allocate the priorities? Who will say in what category one is to be placed so far as medical care is concerned? Is some receptionist going to decide whether or not one's appendix is to be taken out or whether one can afford to wait, two, three or four months for a doctor's care? If the minister will suggest that the emergency departments of hospitals will do it, let me tell him that they are now overloaded and overworked. There are fewer interns in the hospitals across Canada than there have been for years.

I was very interested in another point which the minister mentioned. He said that general practitioners practising in rural areas will be quite satisfied with their lot. They will be paid for the work they do and they will like living out in the country. I will tell the minister that I have had the occasion to speak to some of these doctors who told me they were having some problems. The nearest hospital is often 20 miles away and they average three or four cases in hospital because the doctors in the town are too busy. There is an insufficient number of interns in the hospitals, and yet when these doctors put in claims for mileage on their income tax forms the Department of National Revenue refuses to acknowledge them. Is one hand working with or against the other. What is the minister doing about this situation? I agree with him that we need more doctors in rural areas.

There is another point which I should like to reiterate, that is the acute shortage of doctors in this country. In the United States there are just under 300,000 doctors practising. In Canada we have just under 20,000 practising doctors.

It was pointed out at a meeting in Atlantic City the other day that an acute shortage of doctors existed in the United States. Here we are letting things ride because if we wanted it badly enough, our medical schools could have been operating this summer. Somehow or other the minister could have used his powers of persuasion, and I do not think it would have taken much persuasion, to convince the doctors of the necessity of operating the schools this summer. They could operate at increased pace, using buildings that would be empty, and instead of graduating doctors after six years they would do so after four. Dr. Evans, the head of the medical school at McMaster University, even said they could graduate a doctor in three years. He said this was a necessity, but even at that he stated we will not be able to fill the gap. I note that the minister is quoted as saying that everything will be fine here and we will have all the doctors we need in 1971 or 1972. I wonder who is right because the United States has a dire shortage of doctors and yet they have one doctor for every 750 people while we have a doctor for roughly every 1,000 people. In view of the fact that 50 per cent of our doctors are specialists we must assume there is a doctor for every 2,000 people in Canada.

I believe that things must be made a little more attractive for the general practitioners here, and the government should work in conjunction with the provincial governments and with the universities to ensure that Canadians receive the medical care which is required. I tell the minister in all frankness that 85 per cent of all illnesses can be looked after by a general practitioner, but today 50 per cent of our doctors are specialists and 50 per cent are general practitioners. The minister should consult the provinces and the universities on these very points which are so vital to Canadians so that they can obtain the best use of medical man power.

I do not believe it is right to give the people medicare and to assure them they will get all the medical care they will require when and how they like it. This would be gross misrepresentation on the part of the minister because he himself admitted it may be necessary to establish priorities in medical care. All this is very puzzling to me because I know how long some people have to wait before they can see a doctor, and yet the minister will increase the workload of the doctors without ensuring that more of them will be available.

I hope the minister and the government will face this situation squarely because it is my guess that the flow of immigration will be reduced substantially. I do not think that the European countries will continue to graduate doctors for the purpose of sending them here. Here in Canada it costs approximately $50,000 to graduate a doctor. If Great Britain and the other European countries continue to send their doctors over here, they will be giving us a real asset. I hope they do, but I doubt it.

There is another interesting point which I would like to make. What does one do if one wants to bring a doctor from Great Britain or another European country? I put this question to a government official the other day and I was told I could go to a local immigration office and ask them about it. This is the biggest farce I ever saw. One has to go to an immigration office to get a doctor to practise in a given area or to help out in a clinic. Surely, the problem of the shortage of doctors is important enough to warrant the establishment of a liaison between the Departments of National Health and Welfare and Immigration so that it would be sufficient to deal with only one department and one would not have to wander around in a maze of bureaucracy trying to get a doctor to come over to Canada.

I believe there was much sense in what the attorney general of the province of Ontario had to say. I know he was criticized and I do not agree with all he said.

• (4:00 p.m.)

However, there was quite a lot of common sense in what he said. He noted that the provinces got together in confederation and that the federal government was the central power. But why would not the idea of bringing together the provincial ministers of health to discuss their needs, their plans and the great shortage of doctors today be appealing? Would not this advice be worth while.

I mentioned research and the necessity for more research. Dr. Thomson, who was president of the Canadian Medical Association, stated that the health resources fund provided a pittance compared with what we really need. The matter which concerned him most of all, Mr. Chairman, was how to staff the structures that the fund, spread over 15 years, builds, after it has been equalled dollar for dollar from provincial funds—that is, if the provinces can find the funds. The minister

will recall that the Hall report called for a drastic increase in the supply of doctors, nurses, technicians and paramedical personnel who are required to provide adequate medical care, and this before medicare is instituted. Yet the government does nothing to bring this about. The scheme has now been put into operation and as Dr. Thomson said, the fund has provided a mere pittance.

Another aspect of the research problem is this. In order to have good teachers in the field of research you must have research-minded doctors. The medical research council is receiving just about half the amount recommended in the Gundy report. There is talk about reversing the brain drain, but I should like to see the statistics in this regard because I do not think that the drain is all that heavy. I have seen very little evidence of it. But how can we possibly bring our doctors back when we are spending a mere pittance on research.

I would call to the minister's attention that the Minister of Industry, speaking in Paris, said that 2 per cent of the gross national product should be put into research. But what do we find, Mr. Chairman? Two per cent would provide an amount of $1,200 million for research, whereas today we are spending, as the minister knows better than I, less than $26 million—about $25,800,000. As I say, this is less than half the amount that the Gundy report stated we must spend if we are to provide the doctors, personnel and trained medical students we require. This is rather pitiful in view of the situation in which we are.

Many towns across Canada have no resident doctor. As we sit here in this house more and more towns are being deserted. In the long run this is going to prove expensive because we are increasing the load on our paramedical services, ambulances and so on, who have to take care of people without their own doctor. When the doctor lives nearby most of this cost is offset. Not only that, when an ambulance is called the patient is sure to be taken to hospital which taxes the emergency department.

The Acting Chairman (Mr. Tardif): Order. I must advise the hon. member that the time allotted to him has elapsed.

Some hon. Members: Continue.

The Acting Chairman (Mr. Tardif): Does the committee give unanimous consent to allowing the hon. member to continue?

Some hon. Members: Agreed.

[Mr. Rynard.]

Mr. Rynard: I appreciate the courtesy of hon. members in allowing me to go on, and I will speak for only a few minutes. I am interested in this question. I know the minister personally, and although he is a very fine fellow I am wondering whether he does have all the information that he should have. He must have been talking to a different group of fellows from those I talk to because most of the people I speak to refer to the dire shortage of medical personnel. Just the other day I heard of one man who died, I am sure, because he did not receive prompt care. There was no one available to care for him.

Another big problem in our hospitals today is this. Some people have to go to the emergency department of a hospital because they are unable to obtain the services of a doctor. People arrive in a new city and are unable to find a doctor to treat them because the doctors themselves are overworked. Therefore if they get sick they go to the emergency department of a hospital. The emergency departments of all hospitals across Canada, of which I am aware, are overloaded; the staffs are overworked and inadequate in number to do things they are supposed to do.

We can slough this off and say that the situation will correct itself and that things will be all right in a few years. But in passing through this house a medicare bill, it is not only the right of the minister but his solemn obligation to see that the people of Canada get the best medical service possible. In this vein I close. The situation is a very serious one, and I am reminded of Nero sitting fiddling while Rome burned.

Mr. Knowles: Mr. Chairman, it is always a privilege to take part in the discussion of the estimates of the Department of National Health and Welfare. As usual, I have one or two complimentary remarks to make; however the minister will not be surprised if I say them quickly and get on with the meat of what I should like to say on this occasion.

I agree with the minister when he speaks of the tremendous importance of the Department of National Health and Welfare. I share his pleasure in noting that its progress, its growth and its development can be measured by the fact that its budgetary requirements have increased tenfold in the last two decades. This, I suggest, is not just an example of bureaucracy, of government spending gone wild; rather it is an indication of the demands that parliament, in the name of the people of Canada, has made for improvements in our social security program in this

country, and we welcome the improvements that have been made.

There is something I should like to say which does not fit into any logical sequence, but I should like to fit it in anyway. The minister said something in the course of his speech that I am sure will not hit the headlines, yet I think it is significant. He referred to the fact that the pension appeals board which has been appointed under the Canada Pension Plan has been designated by the government of Quebec to be the review commission under the Quebec pension plan.

As everyone knows, whenever there are differences between Quebec and the federal government those differences hit the headlines. I think it should be noted that the relations between the administrators of the Canada Pension Plan and the administrators of the Quebec pension plan have been most cordial and that the officials have been most co-operative. I understand that they have been able to agree on most everything they are called upon to administer, and I suggest that this is something that should be noted. Even if the minister is not a model in all aspects, he might use his influence to spread this kind of co-operation between the provinces and the federal government.

• (4:10 p.m.)

I should now like to speak about some of the major programs that are administered by this department. The minister referred to them in terms of satisfaction, but I have some criticisms and complaints to offer.

The minister is already boasting about the guaranteed income supplement. He tells us how many Canadians have been able to qualify for it in full and how many have been able to qualify for a partial payment under the guaranteed income supplement program. Perhaps I might put the figures on the record as I see them. The minister has told us that 430,000 pensioners are drawing the full amount of the guaranteed income supplement of $30, and 270,000 pensioners are drawing a partial amount averaging $18.95. That adds up to a total of 700,000 pensioners who are receiving the supplement in whole or in part. But that leaves 540,000 Canadians of 68 years of age or over who are not getting any portion of the extra $30. For them the old age security pension is still only $75 a month, and I suggest that most of them really need the full $105.

I want to repeat the position that we in this party took in the last session when we were debating this matter. It has been a retrograde step for the government to take, to say to our old age pensioners: "You are now in two classes: those who get a pension as of right, but only up to a certain point; and those who, by passing the means test, get something more."

The minister likes to tell us that it is not a means test but an income test. He told us that during the debate last year and he still refers to it that way in the many speeches that he has been making about the country. May I zero in on this particular aspect of the administration of this program.

The minister will recall that when we were debating this matter in the last session he repeated time and again that there were certain kinds of income that would not be considered as income for the purposes of the guaranteed income supplement; in particular, he referred to war veterans allowances and to any pensions or allowances that people received under provincial legislation. I want to tell him, Mr. Chairman, that there is a great deal of unhappiness and misery in the experience of many war veterans of this country who are receiving a war veterans allowance and who took the minister at his word.

Those veterans were told that they could apply for the guaranteed income supplement and that they could get it because a war veterans allowance does not count as income for the purposes of the guaranteed income supplement. When those same people, who were encouraged by the minister's statement and by the red print on the application form to apply for the guaranteed income supplement, even though they were getting the war veterans allowance, made their applications they discovered that, as a result of getting the guaranteed income supplement under the old age pension, their war veterans allowances were cut back.

The minister must know, and the Minister of Veterans Affairs must know, that the war veterans of this country feel that they have been treated in a very raw fashion in this matter.

In the same vein, I remind the minister of a lengthy discussion that we had over the question of the allowances which are paid by the provinces. The minister insisted that any money received by a pensioner as a supplementary allowance from a province would not be counted against his supplementary income under the guaranteed income supplement program. When we said: "What about the provinces? Will they see it this way?" he said, "Of course, it is up to the provinces. We do not

stand in the way of people in the provinces getting this extra $30 under the guaranteed income supplement and continuing to get whatever the provinces want to pay to them by way of provincial supplementary allowance." That is what the minister said.

We have had many experiences in this area and I shall base what I want to say in this connection on an experience that my leader, the hon. member for Burnaby-Coquitlam, had with one of his constituents. I bring this matter up because the correspondence between the hon. member for Burnaby-Coquitlam and the minister of social welfare for the province of British Columbia makes the point very clear. This was a case where a person in British Columbia was drawing $75 a month old age security and $30 a month as an extra social allowance which was paid by the province of British Columbia. She applied for the guaranteed income supplement of $30. The minister told her, the application form told her, the instruction book told her, and the act told her that she could apply for the guaranteed income supplement although she was getting the $30 a month supplement from the province of British Columbia. But what happened?

Her case was assessed by officials in British Columbia, and in the end they cut her provincial allowance down to $1.65. As the result of this great, new piece of legislation this woman who had been getting $105 a month now gets $106.65 a month.

My leader, the hon. member for Burnaby-Coquitlam, did what all of us have done in our own cases. He wrote to the minister of social welfare of British Columbia, hon. Mr. Campbell, suggesting that it was improper for British Columbia to take this attitude; that, after all, the Minister of National Health and Welfare had made it clear that they were under no obligation to cut down on the provincial allowance because of what was provided in the federal legislation. The minister of social welfare for British Columbia wrote back to the hon. member for Burnaby-Coquitlam on May 19, 1967, and said this:

> The quotation in your letter from my department's notice dated February 20th, 1967, is exactly as quoted. The province of British Columbia has on a number of occasions made representation to the federal government to ignore the guaranteed income supplement as income when determining entitlement to the provincial government supplementary social allowance. The result of this would have been that every recipient would have continued to receive the same amount of supplementary social allowance as he did prior to receiving the guaranteed income supplement.
>
> It was the desire of British Columbia to continue the full amount of the supplementary social allowance paid to individuals prior to their receiving the guaranteed income supplement but the federal government refused to accept this request and stated that if the government of British Columbia ignored the guaranteed income supplement as income in determining eligibility for the provincial government supplementary social allowance that it would not share in this supplementary social allowance.

[Mr. Knowles.]

Does the minister see what he has done?

Mr. MacEachen: Perfectly.

Mr. Knowles: He has said that supplementary social allowances, as received in the provinces, do not count against the income test with respect to the guaranteed income supplement. In effect, the minister said that people could get both.

• (4:20 p.m.)

He says it is up to the provinces whether or not they continue, but then when a province like British Columbia says it wants to continue, but in the meantime has come under the Canada Assistance Plan, this minister says, "If you are going to expect us to share in this program under the Canada Assistance Plan we will not do it unless you include the guaranteed income supplement as income for the purposes of the Canada Assistance Plan."

I take the minister back to the debate on the Canada Assistance Plan. He told us time and time again that all that mattered was that people take a needs test, and the government was prepared to leave the decision on what the level would be to provincial governments. Yet here is a case where a provincial government says it wants to pay a higher amount but the minister, through his officials, says this cannot be done because of the terms of the Canada Assistance Plan.

The minister has been reasserting this principle in recent times. He made one of his many speeches recently in Winnipeg, on June 13, and when speaking about the Canada Assistance Plan and its needs test, which he claims is so much better than a means test, he said this:

> The provinces may, of course, in their discretion, impose limits on the amounts to be paid to individuals or families or for specific needs. But I emphasize again, the federal legislation leaves it to the judgment and discretion of the provinces to determine what limits, if any, should apply.

This has got to be sorted out. The minister is still saying *ex post facto* that the federal government imposes no limit on the amounts that may be paid under the Canada Assistance Plan. Provided people take a needs test,

then the federal government will pay 50 per cent. But British Columbia comes back and says, "We were denied the right to pay these social allowances unless we included as income what is being paid under the guaranteed income supplementation program."

I suggest there are two things to note here. One is the inconsistency of the position taken by the minister, and the other is that we have here another example of the fact that this idea of imposing a means test or needs test on our old people just does not fit with the thinking of today, just does not fit with the affluence we are talking about, just does not fit with the so-called just or great society.

I call upon the minister to reconsider his whole position. I suggest that if we must maintain this needs test program on old age security supplementation for a while, then things such as those to which I have just referred should be improved. But I go further than that and say that what is necessary is to change the whole basis of this supplement and put it where we tried to get it last year, on a basis as of right, whereby the full $105 per month will be paid to all who are of pensionable age and over.

There are scores of examples like this. The minister boasts about the number of people who are getting guaranteed income supplementation. But my mail, and I am sure that of many other hon. members, is just full of letters from people who are humiliated by the tests they have to go through, who are disturbed and unhappy over the reductions that take place, and who are disturbed because they do not get any supplement at all. Then, when we get a case like this where a woman gets an increase of only $1.65 per month as a result of the $30 change, and finds she is caught in this straight contradiction between the minister of Social Welfare in British Columbia and the Minister of National Health and Welfare, then I say something ought to be done about it.

I have read hon. Mr. Campbell's letter in which he says it was Ottawa that said no, that they could not do it. That was dated May 19, 1967. Yet as recently as June 13, 1967, the minister was still saying in a public address that the federal legislation leaves it to the judgment and discretion of the provinces to determine what limit if any should apply. We will come back to this later during discussion of these estimates.

I would point out that on the order paper I have a private members' notice of motion dealing with the question of removing the means test from the $30 supplement, and I suggest to the minister that this is a piece of unfinished business with which he should be dealing without delay.

Now, Mr. Chairman, I want to say a few words about medicare, to which the minister and the hon. member for Simcoe East referred. I noted that the minister today said without any embellishment at all that medicare is to come into effect on July 1, 1968. Has he forgotten that tremendous victory he secured at the meeting of the Liberals at the Chateau Laurier some time ago, when he persuaded them that he would get something better than the Minister of Finance had proposed, that he would get written into the act a provision that medicare could come into effect on July 1, 1968, or earlier? He did not mention that today. He just knows that it is not coming into effect a day earlier than July 1, 1968.

I suggest, Mr. Chairman, that that particular amendment which the minister put into the act just was not worth the time it took to write it out. It had no meaning, no value at all. As a matter of fact, it is like another amendment he accepted. After much pressure from all the opposition parties in the house he accepted an amendment regarding paramedical services to make it possible for the government to agree with any one province, if a province so wished, to include other than medical services under the coverage of the medicare act.

There was no question about what that amendment meant, namely, that it could be done if only one province wanted to make the agreement. When this was discussed on a late show a few weeks ago the minister freely admitted that that is the wording of the law. However, in his answer to the question on the late show he said that the law says one thing but the policy of the government is another.

The law says it can be done if even only one province wants to make such an agreement, but the minister says the policy of the government is that it is not to be done until there is a consensus. The consensus has not been defined as to whether it means two provinces, five or six, or nine or ten. I suggest, Mr. Chairman, that this is not the way for this minister, or any other minister on that side of the chamber, to treat this parliament. We took him seriously in the debate on the medicare bill when these two amendments were put through. One was his own, his own idea, and the other he accepted from this side of the chamber. One was that medicare might come into effect earlier than July

1, 1968, and the other was that paramedical services, such as optometry and chiropractic services, and the rest, could be included on the basis of an agreement between a province and the federal government. It now turns out that this was just so much window dressing, just a case of being agreeable to get the bill passed.

Mr. MacEachen: Does my hon. friend not recall that during that debate I stated to the committee that the only recommendation I proposed to make to the governor in council was the inclusion of certain services provided by dental surgeons? It was clear at the time.

Mr. Knowles: It is quite clear that the only service the minister had in mind at that moment was dental surgery, but it was also made very clear that the amendment as worded and put into the act did not require a consensus among the provinces for its terms to be carried out. It is this about which I am complaining, that the minister sells parliament a bill of goods by writing something into law and then says later, "That is the law. That is what can be done, but the policy of the government is something else. The policy of the government is not to act in this field unless we have a consensus." Mr. Chairman, we contend that this simply is not good enough. This is no way to treat parliament.

The minister has to give a lot more attention to this whole medicare proposition. I am sure he not only recalls his experiences in meetings recently with the Canadian Medical Association but he must also be reading the papers these days, and it must be pretty clear to him that the Canadian Medical Association is not exactly on the bandwagon in favour of medicare. The statements which are being made by the doctors about medicare do not auger well for the inauguration of this program. When one realizes the influence the medical people have at the local level and in the provinces, and when one realizes the efforts they are making, the minister may find that the program will not get off the ground as even he hopes it will. I think part of the reason for this is the delay which has taken place across the years. I believe part of it is because the minister is not as wholehearted in his determination about medicare as he ought to be. I believe right now he should be giving the fullest concentration he can to negotiations with the provinces and with the doctors in order to make sure that medicare will get off the ground certainly not later than July 1, 1968.

[Mr. Knowles.]

• (4:30 p.m.)

Mr. Chairman, all of us in this chamber have reason to be grateful to the medical profession. All of us have reason to be grateful to individual members of the medical profession. It seems to me, however, that they should realize that the parliament of Canada, representing the people of Canada, has spoken on this issue. The parliament of Canada has said that medical care is something which should be available to all the people of this country and that it should be paid for as provided in the act. This is no time for one group to try to sabotage this very important program.

I urge the Minister of National Health and Welfare to spend a little less time running around the country telling us how wonderful some of these programs are, for they are not as wonderful as he says. He should spend a little more time trying to make sure that the medicare program really gets going and really is the success we believe it ought to be. This should be his main preoccupation right now.

There are one or two individual matters which I should like to mention before my time runs out. These are things on which I hope we will have action at this session. I mention these because they come under the aegis of the Department of National Health and Welfare. I refer to the question of legislation on birth control and with respect to abortion. I realize the Prime Minister has made statements about these matters at political meetings outside the house. I realize also that he has included them in speeches he has made in the house. But still it seems so difficult to get from the government assurance that anything will be done.

The other night my colleague the hon. member for Vancouver-Kingsway asked the Minister of National Health and Welfare for a very simple statement. In fact, she simply asked whether he could tell us if this would be done at this session. The minister could not seem to find it in his heart or in his vocabulary to say yes. Instead, he used words which may or may not have meant something. This is a social problem which we ought not to play around with any longer. There is legislation in the Criminal Code which causes a good many people such as priests, ministers, doctors and social workers, to do criminal acts because of the way the legislation now stands. There is a similar situation with respect to abortion.

These are subjects which a few years ago could not be talked about in the House of

Commons. Surely, however, when one thinks of the danger which exists in so many cases to the health of expectant mothers we should be prepared to deal with this question. One of the points the government has made is that in this centennial session, in the fall at any rate, we will deal with some of these social problems. Another one is in the news now. There is a scoop, I suppose you would call it, about what the committee on divorce will recommend. I do not bring this within the ambit of the Department of National Health and Welfare, but I do urge the minister in his capacity as the minister of a department concerned with the physical and mental health of our people to put the prestige and pressure he has behind the demand for action in these fields.

I shall not take the time to repeat the speech I have had to make so often about the 30, 40 or 50 years it takes the Liberal party to get anywhere. I do hope that this will not be the story in respect of these social issues which the Liberals trot out at their conventions, at election time and in the speech from the throne. Let us have action on them at this session of parliament.

Now, Mr. Chairman, I believe I can refer to just one other subject and stay within the 30 minutes allotted to me at this time. I have been quite interested in the many references the Minister of National Health and Welfare has made, when he has delivered speeches around the country, to the broad question of a guaranteed annual income. I was looking forward to hearing about this in his remarks today, but I did not hear any reference to this matter. Certainly, however, this is a favourite of his in the speeches he makes when he is receiving honorary degrees and when he is speaking to various organizations and conferences outside the house.

Mr. Lambert: Almost every day.

Mr. Knowles: Not every day, but almost. He does it very nicely. I did not bring all his speeches, because the one made at Winnipeg covered most of these things. On June 13 he spoke at Winnipeg to the Community Welfare Planning Council. I can just hear his words ringing in that Cape Breton voice when he said:

> But we are on the threshold of a new age, the cybernetic age, and its consequences may well presage more fundamental changes in our approach to social security. There are, for example, contemporary predictions, which are becoming more and more believable, that within a few years, 5 per cent of the population can produce all that society needs and work will become the privilege of the few.

I suppose that "few" will always include those of us in parliament. Then the speech continues:

> In simple, dramatic terms, the traditional, centuries-old link between work and income is being questioned. At the root of it all is the basic problem of how to make our nineteenth century distribution system cope with the productive machinery of the late twentieth century.

Then, after a couple of paragraphs in which he has a Munchausian reference he says:

> These developments, these prospects and questions are the basis of a rising interest in the guaranteed minimum income as a radical—and realistic—solution to the problem of income distribution in the cybernetic age.

Despite the flowery nature of all that, I must say I agree that this problem of finding a basis for the right to live other than an association with work is one which will be upon us before we realize it. I agree that a guaranteed annual income is something to which we will have to come.

I should like to say first, let it not be the type of guaranteed annual income he tried to sell us in respect of the old age pensioners. First of all, the levels he had in mind did not represent a guaranteed annual income at all. Second, it is not a guaranteed annual income when it is paid to people only after they pass a needs or income test. A guaranteed annual income, if it is to be worth that name, should be a generous allowance which is sufficient for people to live on and, if it is too much, let some of it be taken back afterwards in the form of income tax.

The minister must recast his whole thinking on this issue. He must not try to sell us what he foisted on us last year in respect of the old age pensioners, if the guaranteed annual income is to mean what the words say and if it is to help solve the problem. I plead with the minister not to let this be treated the way the Liberal party treated old age pensions, unemployment insurance and medicare when it proposed these things in 1919—something good for two or three generations.

The minister is right in the flowery language he uses about the problems facing us in the field of maintaining our standard of living. The time to get to moving on a real guaranteed annual income program is now. But let it be adequate, and let there be no means test on it.

• (4:40 p.m.)

I thank the minister for the attention he has given to my remarks, and I hope he realizes that just because he got two or three

pieces of legislation through last year his job is not done—it has only begun.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I am glad to have the opportunity to say a few words about the Department of National Health and Welfare.

There are great needs in the field of social welfare, because the Canadian people are not treated as they should be, in accordance with our production. As a matter of fact, our production is high in Canada, but consumption is inadequate, because we do not consume our production. If we want to consume our production, we must at all costs balance our economy, and I do not see any other means to do so than by giving the people, the consumers themselves, in short, the families, the required purchasing power to become the great consumers of our abundant production.

Mr. Chairman, I do not intend to mortify the government, or the hon. Minister of Finance (Mr. Sharp) or the hon. Minister of National Health and Welfare (Mr. MacEachen), but I cannot let this opportunity go by without pointing out once again, to the house, the urgent necessity of ensuring national economic balance between the individuals, the families and the institutions which compose Canada.

When I say "between the individuals, the families and the institutions", I want to point out that families and institutions are merely groups of individuals, and that human beings only are gifted with life, have material, intellectual and spiritual needs. Indeed, families and institutions are merely instruments to produce and manage in the service of human beings.

Families and institutions as such do not exist, do not have a real life; our intelligence has created them to designate groups of human beings who live together as families, or work together as institutions.

As you can see, Mr. Chairman, only human beings have life and make up a nation, are divided into families and private and public institutions, for their needs of production or administration.

Therefore, when shall we finally understand that the human being is the fundamental unit of the nation, that it represents the basic unit of any economic administration of the nation of Canada, of the country, which we have the official mandate to administer appropriately, we the 265 members of parliament with the 102 senators of Canada?

[Mr. Knowles.]

When, some day, we have recognized in our mind and by our actions that we are responsible for the good administration of the welfare of all the human beings who make up Canada, the 20,400,000 Canadians who constitute the Canadian people, then, and only then, we will have achieved the purpose for which we have been elected, for which our electors have sent us to parliament, namely to prepare legislation for all human beings, with no exception.

If it is up to the Minister of Finance to supply the necessary funds to the Department of National Health and Welfare, it is also up to the Minister of National Health and Welfare to produce his accounts which means all the accounts necessary to the economic balance of Canadian men and women, in short the 20,400,000 Canadian citizens living on Canadian soil, saluting our Canadian flag, singing our Canadian hymn and who are proud to say they are Canadian citizens.

Mr. Chairman, if, once again, there are 20,400,000 Canadian citizens who make up Canada, who have the right to live decently in Canada in 1967, it must be admitted that there are only 7,400,000 who have an income from their labour or their capital. There are 13 million other Canadian citizens who have neither capital nor paid employment, who have no personal income and who consequently are dependants.

These 13 million Canadian citizens are all entitled to live in 1967 according to our Canadian standard of living. If these 7,400,000 adult citizens are strictly entitled to a vital minimum, this vital minimum is the responsibility of the Ottawa government and must be valued in dollars and cents, according to appropriate amounts and not in a ridiculous fashion or with an eye-dropper.

This vital personal right is the right of the human beings in society and must be paid or guaranteed by the state, by the national government, by the central government, in short by the government with the financial means whether money, credit or capital, whatever their definite or indefinite forms, known or unknown, visible and invisible.

The right to live thus implies a certain amount of money daily, monthly or yearly for each Canadian citizen who has no income from his labour or his capital.

This, Mr. Chairman, is a natural human right for those who believe in God. It is a right already recognized in our Canadian legislation under chapter 44 of the Statutes of Canada 1960, the Canadian Bill of Rights.

To be practical and logical, this individual right to live must be evaluated and appraised in dollars and cents as any other contract. The salary of labour is evaluated in a definite amount, not in vague terms. Interest on capital is also evaluated in exact terms clearly determined in a contract.

In the same manner, the right to live of citizens without personal income must be spelled out by the contracting parties, in the circumstances the federal government and the dependent citizens, represented by their 265 members in the parliament at Ottawa.

Such is our responsibility as members in this House of Commons, as representatives of the people, as representatives of every Canadian citizen, as representatives above all of the weakest citizens of the country, of those who do not have the ability to defend their own cause by personal means, of the unemployed, of those who have no personal capital.

It is not a matter of knowing whether the government has the means to pay or to guarantee this right to live to the 13 million dependent Canadian citizens, it is a matter of recognizing that the government has the strict obligation to do it immediately within the present context of the Canadian monetary, economic and political machinery on the basis of the present production capacity and the standard of living of Canadians in 1967.

It is as simple as that, as complete as that. And it will be the end of the war on poverty, misery, indigence, insecurity; the end of poverty. The lack of wealth will remain, but it will be more human, more decent, more social, more natural and more proper.

As soon as we have admitted our duty to pay or to guarantee that right to a personal life to those 13 million dependent children, students or adults throughout Canada, at a set rate per month according to the cost of living index, I am ready to wager with those hardest to please that it will seem easy to them and even pleasant to proclaim the law of the right to live for all the citizens of Canada who have no personal income through their capital or their work.

The return on capital, Mr. Chairman, remains; the salary remains for all of the 7,400,000 persons involved in the national production. But, there is simply added the right to life for every dependent citizen as a minimum and guaranteed purchasing power, for all persons who are unemployed or who have no capital. It is as simple as that.

Everybody admits that production is for the use of the population as a whole. Everybody admits that every living individual in Canada has a right to life. Now, in 1967, we have a population of 20,400,000, and the production of the 7,400,000 producing citizens totals more than $62 billion. So we get the following averages: $62 billion; an average of 3,000 per person. Population in 1967: 20,400,000 persons; an average of $15,000 per family of five.

This is our production, the total and effective production of Canada, Mr. Chairman. And when we are told that there is not enough money to help families or to pay adequate family allowances for Canadian children, well, Mr. Chairman, I suggest that we are not equal to the task, that we are in a situation entirely different from that which exists when we say that.

It is therefore obvious that the Canadian production in 1967 can provide all dependents with a vital guaranteed minimum, in accordance with the cost of living index, as well as all families, all heads of family and all students. We could even pay a reasonable allowance to the mothers who are unemployed but who also work for the community and are not rewarded for their work.

• (4:50 p.m.)

I do not wish to complicate the present discussion, but in my opinion the 13 million citizens in Canada in 1967, whether dependents, children, students or adults, should receive a stipulated monthly payment, and I think that in order to give our society and all Canadian families their due in a country where there is an abundance of wealth, we could use $8 billion out of a national product of $62 billion, which would leave a total of $54 billion for salaries and return on capital to be paid to the 7,400,000 Canadians who contribute to the national production.

I have all sorts of tables I could quote, but that would take too long. I do not want to take up all the time of the house. I would like to give the ministers and hon. members time to think about the social welfare we could provide for Canadian families trapped in an unjust system.

It is wrong for us to tolerate such a system and to allow families to live in destitution, poverty and insecurity, as we do now while spending millions and billions of dollars for all sorts of other things. The family is the basis of the whole structure of society and of public institutions. If there were no children, no families, there would be no society, no Parliament, and we would not have to pay family allowances.

If we do not believe in the family, Mr. Chairman, the birth rate will decline. Moreover, everybody agrees that the birth rate is declining in Canada. Why? Because these families have not the security they need, because they lack the means of obtaining suitable housing, enough room, for their children.

Nobody wants to rent houses to large families; they are unable to find housing.

So, we have much to do in that area, and I say once more that we must provide families with capital and the buying power needed to purchase the production of our economy, through science, through progress, through technology. Then, Mr. Chairman, we would be doing a great service to society and also to production, because to increase production we must also increase consumption.

And statistics prove that production in Canada is plentiful since, once again, we have a production of $62 billion and a consumption of $44 billion.

Large companies in Canada have also realized profits, they have capitalized $18 billion out of $62 billion of production. We have $18 billion of capitalization; $15 billion have been capitalized by large businesses and only $3 billion by the little people.

Mr. Chairman, there might be some exaggeration in our capitalization. It is not up to me to see to it but up to the Minister of Finance and Receiver General (Mr. Sharp). And the Minister of National Health and Welfare (Mr. MacEachen) should submit his bills to the Minister of Finance, so that the family may live reasonably well and properly in a country which is bursting with wealth.

If the 1967 production, in the amount of $62 billion, for a population of 20,400,000, guarantees, on the average, $3,000 per person, $250 a month, that is an average of $15,000 for a family of five (father, mother and three children) or $1,250 per month, and if such wonderful averages leave so many people in misery, in poverty, in insecurity, we must find the causes for such a poor distribution of such a large affluence.

When we see that, in 1966, out of a national production of $56 billion, 32 per cent or $18 billion was capitalized, and only $8 billion or 68 per cent of the production was consumed, while in 1944, 90 per cent of the production was consumed and only 10 per cent capitalized, it is indicated, I think, in order to see the trend of our national economy, to examine the same economic sectors at two different stages far enough removed from each other: thirdly, mathematical proof of the economic trends.

The revision of the bank act in 1944 and in 1967—

[*English*]

The Acting Chairman (Mr. Tardif): Order. In order that the house may proceed to the consideration of private members' business, it is my duty to rise, report progress and request leave to sit again at the next sitting of the house. Agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Latulippe: Mr. Chairman, may I call it five o'clock?

[*English*]

Mr. Deputy Speaker: Order. The house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions and public bills.

HEALTH AND WELFARE

SUGGESTED INCLUSION OF MENTAL HOSPITALS AND TUBERCULOSIS SANATORIA IN FEDERAL HOSPITAL INSURANCE PROGRAM

Mr. David Orlikow (Winnipeg North) moved:

That, in the opinion of this house, the government should consider the advisability of including mental hospitals and tuberculosis sanatoria in the federal hospital insurance program (Hospital Insurance and Diagnostic Services Act) so that the provinces will have available sufficient funds to provide for adequate treatment of the mentally ill, those people suffering from tuberculosis, and the care and training of mentally retarded children.

• (5:00 p.m.)

He said: The motion which I move today is one which I have been moving for a number of years. The principle enunciated in this motion was endorsed by, and indeed the wording could have come from, the very fine report and recommendations of the Hall commission. In dealing with the problem of mental illness the commission said:

There must be an immediate end to the distinction that some still make in attitudes towards those who are mentally ill and those who are physically ill.

The commission points out that under the present terms of the hospital act, payment for the care of the mentally ill is excluded if provided in provincial mental hospitals but it is included if provided in general hospitals.

They say further that they believe this policy of excluding the mentally ill is not in the public interest.

I want to deal with this point for a moment. The situation as it now exists has created a condition in which we have two types of treatment for the mentally ill. I am not suggesting for a moment that this was planned by any government nor that this was the intention of doctors or psychiatrists. However, if a person becomes ill and the doctor and the private psychiatrist, who are usually on the staff of a general hospital, whether it be the Winnipeg General Hospital or the Royal Victoria Hospital in Montreal or any of the hospitals in the larger cities in Canada, decide that the patient needs hospitalization, he can be admitted to the psychiatric ward of that general hospital. There he will get the finest of attention, the cost of which in any of our best hospitals is between $30 and $35 a day, and the entire cost for what we in Manitoba call standard care, is paid for by the government hospitalization program. I think this is as it should be.

Now, who are the people who usually see psychiatrists? They are people in the middle and upper income groups, people who are covered by non-profit medical insurance plans like the Manitoba Medical Service or P.S.I. in Ontario. If, on the other hand, a person who is in the lower income bracket, who, very often, does not have a doctor and who certainly does not frequent a private psychiatrist's office, gets sick, it is likely that he will be committed to the only place to which he can go, that is one of the provincial mental hospitals. In these hospitals the average cost of care per a day is not the $30 to $35 a day which we find in the general hospitals of the country but just under $8 a day. I suggest this is the kind of anomaly which should not be allowed to continue.

Having been in the provincial legislature of Manitoba, I have some concept of the difficulties which all the provinces have in meeting their tremendous responsibilities. The provincial governments, whether they be the "have" provinces such as Ontario and British Columbia or the "have not" provinces like Newfoundland or Nova Scotia, are having to find the money to pay for the cost of education, for a large part of the cost of welfare, and for part of the cost of hospitalization. The amounts of money which provincial governments have allocated for the treatment and care of the mentally ill in provincial institutions has risen very sharply. However, I think it is obvious to all of us that there is a limit to what the provinces can do. What I am proposing in this resolution, and what the Hall commission has recommended very strongly, is that the mental hospitals be included in the provisions of the hospital insurance act so that the federal government would in effect pay for half the cost of the treatment of the mentally ill in hospital. What I am suggesting is not that the provinces should reduce their expenditures by half. I hope the federal government will adopt this principle, in fact I am certain they will if not now then in the not too distant future. I hope that in negotiations with the provinces the federal government will make it clear to the provinces that they are only prepared to extend the coverage for mental hospitals and for T.B. sanatoria if the provinces continue to spend the same amount of money as they have been spending. So, in effect, what I am suggesting is that we double the expenditure which we make in this country for people who are mentally ill and who are required to spend time in mental hospitals.

I do not think there is any member of the house who will dispute the fact that there is a tremendous shortage of required facilities. I have brought with me today a couple of dozen, if not more, newspaper reports on this subject which I have accumulated. Here I have the Toronto *Daily Star* of January 19, 1967. A headline on the front page of that issue reads: "Psychiatrist charges: 40 disturbed boys without proper treatment". I will read a couple of paragraphs from the article:

> Forty emotionally disturbed youngsters have been kept in an Uxbridge training school in the past year without proper psychiatric treatment, a Toronto psychiatrist said last night.
>
> Dr. John Rich, who Friday committed a 12-year-old boy from the St. John's Training School to the Ontario Hospital at Hamilton, said both institutions were "completely unsuitable".

Then, there is a story which appeared almost three years ago in the Winnipeg *Tribune* of September 11, 1964. The heading reads: "Nothing but jail for the sex offenders". I will read a short part of the article which reads as follows:

> In Manitoba today, there are many men serving jail terms for crimes they couldn't help committing.
>
> Wilbert X is an example: he's a sexual offender. He was convicted of gross indecency....

In sentencing him to the jail in Brandon, the magistrate said that he knew nothing would be done for this man in the jail in Brandon since they did not have the facilities.

There simply was no institution in the province of Manitoba which could handle the problems which this man had.

The statistics, of which there are many, give a graphic picture of the total situation in Canada. The Hall commission pointed out that 10 per cent of the population, about 1.9 million people, may be suffering from psychiatric and emotional disorders; that every day in Canada there are 69,000 people in mental institutions and that if you total the number in the year, there are 25 million days a year used in mental hospitals. The Hall commission estimates that mental illness accounts for almost 40 per cent of all hospital days, and in 1960 more than a third of all hospital beds in Canada were used for mentally ill patients. The figure has not changed much since that date.

As I have already pointed out, the cost of keeping and caring for a patient in a mental hospital is about a quarter of the cost of keeping a person in a general hospital. We get what we pay for. We get the kind of treatment, the kind of niggardly, miserable treatment, for which we pay. In the two provincial mental hospitals in Manitoba, the Brandon hospital and the Selkirk hospital, as of a year or two ago—I have not seen the most recent figures—there were more than 1,000 patients, and in each of these hospitals there were less than a dozen trained psychiatrists I remember when I was in the provincial legislature, and that was only five years ago, in one of the hospitals with 1,200 patients there were only three trained psychiatrists. If you keep in mind that one of them was the superintendent, who I am sure had a great deal of administrative work to do in the hospital, you can see, Mr. Speaker, that there was very little time for a psychiatrist to spend with individual patients. The result has been just what one might expect: people stay in hospitals for months, even years, when they could be at home if only they could receive individual attention.

• (5:10 p.m.)

The Hall commission laid down certain principles with respect to mental hospitals which I think we ought to keep in mind. They pointed out that there are severe shortages of psychiatrists, psychologists, psychiatric nurses and social workers in all our mental institutions. The commission recommended a crash program for training personnel in this field. There is no place where these people can be trained better, more easily and more cheaply than in our mental hospitals, but this cannot be done unless we are prepared to spend the amount of money required.

The Hall commission also called for increased funds for an expanded, co-ordinated program of research into the causes of mental illness and mental retardation. Mental illness is costing the people of Canada hundreds of millions of dollars a year in direct cost for the operation of our hospitals. There is also an indirect cost as a result of the thousands of people who are unable to work because of mental illness.

We are spending hundreds of millions of dollars on research, Mr. Speaker. We are doing research into how best to use our forests. We are doing research into how best to use our minerals. We are doing research into space exploration and into almost every field. The amount we spend on research in the field of mental illness is so small that one can hardly find the amount listed in the estimates for scientific research.

I am suggesting that if the federal government would participate in the hospital program in respect of the mentally ill, we could fairly easily commence the work on mental health research which is required.

Again, the Hall commission recommended that the hospital construction grant regulations under the health facilities development fund be amended to provide one half of the cost of construction of psychiatric wards in all general hospitals. It also recommended that henceforth all discrimination in the distinction between the mentally and physically ill in the organization and provision of services for their treatment, and the attitudes upon which these discriminations are based, be disavowed for all time as unworthy and unscientific.

In retrospect, Mr. Speaker, we can be critical of the federal government of the day, when it implemented the original hospitalization program and assumed 50 per cent of the cost of the program, for making the decision to exclude mental hospitals and T.B. sanataria from the provisions of the act. However, I suppose I can understand this; the federal government knew that it was going to get into a program which would be very expensive.

Almost 20 years have past, and to a large extent the hospital building program has been met. I know that in some of the large cities such as Toronto, Montreal, Ottawa and Winnipeg there is still a shortage of hospital beds, but the bulk of the program has been implemented. I suggest that the time has long

since passed when the federal government should decide to include mental hospitals in the general program.

I want to close, Mr. Speaker, by putting on the record the views of Dr. Charles Roberts, who is now director of the Clarke Institute of Psychiatry in Toronto and who was for years head of the Verdun Protestant Hospital in Montreal. His views are reported in the Toronto *Globe and Mail* for January 11, 1966, and he had this to say:

> A major frustration for psychiatric patients and workers is the conflict between statements that mental illness should be treated like any other disease and the refusal to make provisions to do so....
>
> Dr. Roberts said mental treatment should be included in hospital insurance programs. It has often been claimed since the program was introduced in 1957 that it was impossible to find the money at the federal level to include mental care, but since then there has been one of the greatest airport construction programs any country has ever undertaken; the trans-Canada highway has been financed and the St. Lawrence seaway has been completed. Hundreds of millions more dollars are being made available for universal old age pensions and the Canada Pension Plan.

I agree with Dr. Roberts. All of these things are needed. But so is an improvement in the facilities which are provided for the hundreds of thousands of people in Canada who are mentally ill and need assistance.

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, this is a subject which has been debated in this house on numerous occasions since the time when the Hospital Insurance and Diagnostic Services Act was placed on the statute books in 1957. It is a subject on which there is substantial agreement on all sides of the house in so far as the principle is concerned.

Speaking on the subject in July 1964, the former minister of national health and welfare pointed out during a federal-provincial meeting of ministers of health which had been held at that time that there had been general acceptance of the principle of integration of mental hospitals and tuberculosis sanatoria into the general hospital system. She pointed out, however, that because of the financial implications, the matter would have to be reviewed within the framework of the tax structure committee which was planned at that time. In fact, the following year the federal government agreed to consider this question along with other financial matters.

It seems to me that it might be helpful at this time to outline the circumstances in which the mental hospitals were not originally included within the federal legislation; and, at the same time, to assess the extent to which psychiatric units in general hospitals are in fact providing insured services in connection with the treatment of mental illness. I will have a word to say later on the subject of tuberculosis sanatoria.

When the hospital legislation was introduced a decade ago, my colleague the Secretary of State for External Affairs (Mr. Martin), who was at that time the minister of national health and welfare, explained to the house the underlying consideration for the exclusion of mental hospitals. He pointed out that in the provinces there was virtually no financial barrier to care in mental hospitals by virtue of the fact that, for the most part, these institutions were provincially financed. At the same time, a very substantial proportion of the care provided in these hospitals was of a type which was custodial. The hospital program, on the other hand, was designed to remove financial obstacles to the acquisition of hospital care generally and to set up a hospital care program providing non-custodial services.

• (5:20 p.m.)

In initiating such a large program, therefore, it was considered at that time to be preferable to deal with general hospitals including the chronic, convalescent and rehabilitation institutions as a matter of urgency. The costs of hospital care were becoming unbearably burdensome both to individuals and to the hospitals themselves; and it was of utmost importance to take immediate measures to alleviate this situation. In excluding certain types of hospitals, the government had regard to the fact that a certain amount of federal support was already being provided through the national health grants program to mental hospitals.

I would remind hon. members that the hospital insurance program was, and still is, a very costly one and it was considered to be necessary, therefore, to set certain priorities with regard to the types of institutions initially to be included. There were precedents for exclusions which had already been established at that time by a number of provinces which preceded the federal government in setting up hospital plans. I should like to remind the house that the provincial hospital plans in Saskatchewan, British Columbia and Alberta which were in operation prior to the joint program all excluded mental hospitals. I

do not mention this fact in order to be critical of these fine pioneer programs; nor as an apology for the federal government's action in excluding them from the hospital insurance legislation. I am merely pointing out that the view held by the federal government ten years ago was a view which had been shared by other governments which were already in the field.

In the decade since the hospital insurance plan came into operation, great changes have taken place and medical science has brought about a veritable revolution in the treatment of mental illness. More and more psychiatric beds are being built in general hospitals. More and more care, particularly for acute cases, is provided in psychiatric units of general hospitals. There has been an upsurge of admissions in these units resulting from changing methods of treatment and in changing types of facilities being used to handle psychiatric patients. The number of admissions to psychiatric units in general hospitals is now almost equal to the rate of admissions to mental hospitals. This, of course, is due to the early discharge of patients from psychiatric units which provide short-term intensive treatment for the patient with a favourable prognosis.

The recent growth of psychiatric units in general hospitals is best illustrated by the fact that only 15 years ago the numbers of such facilities were negligible; by 1965 there were 64 such units including nine in federal hospitals. Within public general hospitals there has been an increase from 10 units in 1951 to 55 units at the end of 1965.

I have spoken particularly of the psychiatric units in general hospitals because, as hon. members are aware, this type of care is made available through hospitals participating in the hospital insurance program. Patients admitted to these units, therefore, receive normal hospital insurance benefits.

I do not wish to imply that because hospital insurance benefits are available to patients in psychiatric units of general hospitals that they should not be also extended to patients in mental hospitals. I merely wish to emphasize the fact that although mental hospitals as mental institutions are excluded from the definition of "hospital" under the Hospital Insurance and Diagnostic Services Act, this does not in any way exclude the treatment of mental illness when carried out in a participating hospital under the hospital insurance program.

[Mrs. Rideout.]

The exclusion of mental hospitals from the federal act is, of course, merely an exclusion from the shareable costs of hospitals toward which the federal government contributes; in no way need it affect provincial plans. In fact, from the outset, at least one of the provinces has included mental hospitals in provincial hospital insurance legislation and provides insured services in these institutions. It is true that the operating costs of these mental hospitals are not shareable with the federal government in the same way as the operating costs of other hospitals are shareable. But funds provided by the federal government through the mental health grant are, of course, provided with respect to these hospitals. Other provinces might very well provide similar programs if they wished to do so. Hospitals come within provincial jurisdiction and provinces may provide programs as they see fit.

A number of provinces have been realigning their mental hospital programs in such a way as to separate the element of custodial care from the element of treatment care, thus facilitating the identification of treatment services provided in these institutions. Such measures undoubtedly will facilitate the eventual integration of mental hospital services into the general hospital services plan. There is no reason at the present time why provinces should not extend provincial hospital insurance legislation so as to include these portions of mental hospitals in the general program.

In so far as tuberculosis sanatoria are concerned, the problem differs from that of mental hospitals. Changes in medical treatment of tuberculosis have effected a dramatic change in the types of facilities which formerly were used for patients suffering from tuberculosis. The tuberculosis sanatorium is, in fact, a disappearing institution. More and more of these hospitals are being closed or are being converted for use as chronic hospitals. In the course of time it is anticipated that there may no longer be maintained the now virtually outmoded institution known as the tuberculosis sanatorium.

The question of extending federal contributions so as to include mental and tuberculosis hospitals is a financial question and is precisely the type of question which is now being studied in depth, along with other federal-provincial financial arrangements, by the tax structure committee. It is because of this, and pending a decision as to the future of federal-provincial programs such as hospital insurance, that the government does not propose to

make any move at this time to include mental hospitals in the Hospital Insurance and Diagnostic Services Act.

As you are well aware, when the present government took office a new policy was announced with regard to established federal-provincial programs. In conformity with this policy, the federal-provincial tax structure committee was created by the federal-provincial conference early in 1964. The committee was charged with the task of conducting a joint review of the nature and extent of federal and provincial taxes in relation to the financial responsibilities which nowadays have to be carried out by federal and provincial governments. The following year we in this house passed the Established Programs (Interim Arrangements) Act concerning the operation of certain established federal-provincial programs. It set out necessary procedures to permit provincial governments to withdraw from certain shared cost programs. This "opting out", as hon. members are aware, was intended to enable provinces to assume sole responsibility for the operation of former joint plans. Among the programs directly affected by this legislation was that provided through the Hospital Insurance and Diagnostic Services Act.

In September, 1966, the Minister of Finance outlined further details of the federal government's policy effecting federal-provincial shared cost programs, outlining the principles and objectives of the government's approach to new fiscal arrangements. He pointed out that the shared cost programs, including hospital insurance, had contributed greatly toward social advances across Canada. But the provinces wanted more and more to assume full responsibility for operating their own programs. It was for this reason that legislation had been introduced to permit provinces to contract out, pending the development of more permanent fiscal arrangements.

• (5:30 p.m.)

At the same time the Minister of Finance made specific proposals to the tax structure committee for the withdrawal of federal participation in certain social measures, including the hospital insurance program.

I remind members of these measures because they bear so directly on the financial implications of any changes which might be made in existing shared cost programs. At a time when the future of the hospital insurance program is under review, having regard to revised federal-provincial financial arrangements, members must understand why the government considers that no major change should be made in the basic program.

I wish once more to reassure the house that the government does not disagree with those who contend that the treatment aspects of mental hospital care should not be set apart from the treatment aspects of the care of any other type of illness or disability. The reluctance of the federal government to accept the proposal that an amendment should be made in the Hospital Insurance and Diagnostic Services Act so as to implement such a policy, is due solely to the financial implications of such a move at this time.

[*Translation*]

Mr. Gaston Isabelle (Gatineau): Mr. Speaker, it affords me great pleasure to take part in this interesting discussion on the notice of motion introduced by the hon. member for Winnipeg North (Mr. Orlikow), whom I admire very much because he is a druggist by profession. As a matter of fact, after hearing him discussing and reasoning at the meetings of the special committee on drug costs and prices, I must say that he has retained all the sympathy and compassion he had when he served in his chemist's shop the patients who trusted him with their medical prescriptions.

The purpose of this motion is to determine whether the federal government should consider the advisability of including mental hospitals and tuberculosis sanatoria in the hospital insurance program, so that the provinces will have available sufficient funds to provide for adequate treatment of the mentally ill, those people suffering from tuberculosis, and the care and training of mentally retarded children.

That was an important question—and it still is—when the hospital insurance system was initiated around 1957, and, as circumstances have changed, I do think that it is now necessary that those two important services to the mentally ill and persons suffering from tuberculosis be included in the hospital insurance legislation.

It was still important, even at that time, as I have just mentioned, for in January 1957, during the debate on the hospital insurance legislation, the hon. member for Winnipeg North Centre (Mr. Knowles) asked the Minister of National Health and Welfare whether the federal government had made provision for the fact that it could consider the case of mental hospitals and sanatoria.

The Minister of National Health and Welfare answered and I feel that he summarized the philosophy of the government—that

this proposition was generous and complete and that the government did not intend to include mental hospital and sanatoria cases being treated in other hospitals for the simple reason that the provinces already assumed such responsibilities. But the T.B. and mental patients would be cared for in general hospitals which would come under the provisions of the hospital insurance legislation.

And as the hon. member for Winnipeg North (Mr. Orlikow) said earlier, I do not think that someone has suffered as a result of such conditions, because even patients are taken care of in the mental wing of general hospitals and the legislation to which he referred did not necessarily make any distinction for that type of patients.

And, as I said, if this had been done at the time, the government could have, through its hospital insurance plan, subsidized the provinces and as we know, the main purpose of an hospital insurance plan is to reimburse the individual for part of his hospital expenses. However, I agree with the hon. member for Winnipeg North that this principle must be abandoned now in view of the inquiry carried out by the Hall Commission on health services and I am sure that all agree on the recommendation of this report which states:

> The estimates of the cost of hospital care have been developed; the first, based on the continuation of existing trends and programs, the second based upon our recommendation that mental and tuberculosis hospital care should be integrated as quickly as possible into the general hospital program and brought within the scope of the Hospital Insurance Act.
>
> But since 1950, and particularly since 1955, let us say in the past ten years, it may be said that the provision of physical facilities, rehabilitation programs, specialist personnel, the practice of medicine in general, the administrative knowledge, all have played a part in making the general hospital the center for diagnosis, treatment and rehabilitation for illnesses of all kinds.
>
> The consequence of these developments—

I am still quoting from the Hall report:

> —has been that patients are treated in multipurpose general hospital rather than in special hospitals and that the chronically ill are cared for in public hospitals rather than in proprietary nursing homes or municipal homes as in other countries.

As I said at the outset, medicine has evolved considerably in the past ten or fifteen years to the point where psychiatric hospitals have changed their administration and treatment methods—several psychiatric hospitals have been converted to other types of hospitals and the patients have received intensive rahabilitation; this has freed a number of beds in these hospitals. Furthermore, clinics have been established to follow up patients who no longer need to spend part of their lives between the four blank walls of a miserable institution such as psychiatric hospitals used to be. You have to know them to talk about them.

Through such clinics, patients may see a ray of sunshine and have some hope in life.

We also have, to our great surprise, through the improvement of the concept of treatment for tuberculosis patients, noted that several sanatoria were forced to close because they were completely empty. We have also noticed that the number of T.B. patients in Canada has decreased. We know also that, as a result, the construction of sanatoria has nearly decreased to zero.

We can also say that the change in hospital care for mental diseases—I am referring to nursing care which required an extensive stay in those institutions—into active care with a much shorter stay, has resulted, according to projections, in a decrease of over half a million days of care in relation to the number projected in this plan. That reduction cannot be obtained without more costly diagnostic, treatment and rehabilitation services, provided by public general hospitals.

If we stop briefly now to see what will be the projection of our economic development between 1961 and 1991, or let us say over a period of 30 years, even if we are in 1967, with regard to general population, we notice that in 1991, it will reach the fantastic figure of 35 million, that is an increase of 93 per cent. On the other hand, the active population will go from 6.5 million to 13 million people, which means an increase of 101 per cent. As to employment, the number of workers will go from 6 to 12 million, that is an increase of 108 per cent. The actual gross national product, according to the figures in terms of 1966 dollars, amounted to $57 billion and, in about 20 years from now, it will soar to $113 or $133 billion.

• (5:40 p.m.)

On the other hand—and that is rather interesting—the average number of hours of work per week per person will fall from 41.5 to 33.9, that is an 18 per cent reduction, and the number of unemployed, with regard to the active population, will decrease from 7.2 per cent to between 4 and 5 per cent. As we can notice, we will have an extraordinary development, provided the Canadian economy is directed in a sound way and is well administered, in the private as well as the public sector.

Confronted with this vital problem which private and public industry will have to face, we will need all the necessary skills to achieve this economic expansion of Canada. It is also important to conclude that this economic growth will require more extensive medical care than what we are in a position to provide today, and this in the best interest of the people.

The projected expenditures I mentioned will increase. There is no doubt that expenditures will increase because new and better equipment will be purchased, and more of it, and particularly because hospital care and every hospital bed will be put to better use. Those expenditures are always made on a projection of thirty years or so, as I have just said.

The increase—and this is very important—or the decrease of expenditures for health services in all countries is directly related to the health of the people. Either the health services are poor or they are excellent and available to all. In the first case, there would be an increase in unemployment, the national output would slow down or decrease and expenditures for health services would increase sharply. There is no need to explain why. On the contrary, in the second case, the cost of health services will be such that it will either prevent or necessitate a decrease in some of those services.

Always according to this projection, we must realize that the cost of the services provided in Canada under the present hospital insurance plans, excluding medical and dental care, will rise to $67 per capita at the end of 1971. This cost was $31.97 per capita in 1961, $54 in 1966 and, as I just said, it will rise to $67 in 1971, in view of the progressive increase. Taking into account the new health services which will be in operation in 1971, an increase of only $17 per capita is projected, which represents a normal increase of some hundreds of one per cent, for our experience since the 1930's shows that the cost of such services is increasing at the rate of a fraction of one per cent per year over a period of 20 or 30 years.

Canadians, let us say now spend a little less than 5 per cent on medical care. Our present services, together with the new services proposed, in other words the extension of the present hospital insurance plans and the medical care program advocated by the government which we hope will be implemented by all the provinces on July 1, 1968, will produce an increase of barely 2 per cent around 1971. This increase will probably diminish shortly after 1981, because health services will reduce unemployment—according to the principle I stated earlier—and raise the level of national productivity, which will lead to a reduction of these health services.

In conclusion, allow me to quote the last paragraph of the chapter on the projection of health expenditures in the Hall report:

> —a comprehensive health care program would involve, by 1971, an additional sum of $466 million as compared with the $4,015 million Canadians are likely to spend in any event in that year, or a further 11 per cent.

Even though that figure may seem fantastic, I sincerely believe that such an additional expenditure of $466 million would enable us to make more effective use of the health resources of the country to the benefit of all Canadians and would be the most worthwhile investment in the productivity and well-being of the Canadian people.

This is an outline of the projections for the health and economic schemes that the government of Canada will offer to its population before 1981.

We have demonstrated that if the services provided by general hospitals have increased normally and that if the days spent by patients in hospitals, nursing homes and psychiatric hospitals have decreased considerably, although the per capita cost has risen regularly, but acutely, it would still be normal to follow the recommendation of the Hall report, which states that psychiatric and T.B. hospitals should come under the Hospital Insurance Act of Canada. But we had to wait many years to allow for the re-adjustment of science and, especially, we had to wait and see whether the operation would withstand the test of time. Now that the tests are over, now that we know where we are going in the field of psychiatry, tuberculosis, and health, it is normal to proceed with integration, in order to ensure a good management of public funds.

This is what I wanted to say on the motion brought forward by my colleague from Winnipeg North (Mr. Orlikow).

[*English*]

Mr. H. C. Harley (Halton): Mr. Speaker, on rising to take part in this debate this afternoon, I should like first to congratulate the mover of the private members' notice of motion, the hon. member for Winnipeg North (Mr. Orlikow). As he mentioned, he has presented this motion previously, although I think in somewhat different form. I took part

in the debate on several occasions and I am pleased to do so again today.

When I say that his motion is in a slightly different form, I should point out that I believe when it was first presented he restricted his motion to the consideration of people suffering from tuberculosis and mental illness. Since that time I think he has added the care and training of mentally retarded children. I have no complaint to make with his addition, because certainly we are all aware that today there are many children in Canada who need such care and attention. There is a great shortage of hospital beds and care facilities for these people. I would have thought that the hon. member might have left off the word "children" and just said "people suffering from tuberculosis and mental illness and the care and training of the mentally retarded".

Before I pass on to discuss the other subjects with which I should like to deal more fully, I might say that I believe all of us are aware of the various workshops which have been set up for mentally retarded adults. I believe there are two in my riding. These workshops provide shelter and training for these retarded adults until they can be trained to the point where they can take their place in society, usually under the guidance of families or friends. These workshops, however, do train these people to do various jobs according to their ability.

We have heard from the parliamentary secretary why, originally, the two diseases, tuberculosis and mental illness, were excluded when the Hospital Insurance and Diagnostic Services Act was passed.

• (5:50 p.m.)

We listened to the reasons given and I wondered why these were excluded. I think one of the considerations that must have been weighed at the time was that in 1957 these diseases were considered chronic. I include the mentally retarded. to which the hon. member has made reference. These were diseases that required a great deal of treatment over a long period of time, and, generally speaking, a long period of hospitalization in a tuberculosis sanitorium or mental institution.

Fortunately, with the progress being made in medical science at the present time this situation is rapidly changing. Both of these diseases are treated a great deal differently than they were in the past. The patients are being more adequately and efficiently treated as outpatients in the hospital setting rather than inpatients.

[Mr. Harley.]

We are all aware that the incidence of tuberculosis is the same as it always has been. I noticed that the Canadian Medical Association, at its meeting a year ago, spent some time expressing the opinion that the incidence of tuberculosis was as high as it always has been. Certainly, the time of treatment is much less, and much less in hospitals because a great deal more time is being spent treating patients as outpatients, often with weekly injections of streptomycin, or putting the patients on various kinds of oral medicines. As has been mentioned, the beds in sanatoria are emptying. As an example, in 1953 there were 18,977 beds devoted to the care of tuberculosis. In 1962 this number had decreased to 10,673, and in 1963 to 8,500. The latest year for which we have any figures is 1964, and there were less than 8,000 beds devoted to tuberculosis patients. In something over ten years there has been a decrease of just less than 10,000 beds devoted to the treatment of tuberculosis.

As the parliamentary secretary mentioned, generally speaking this does not mean there has been a reduction in the number of beds devoted to medical care, because many of these have been devoted to the care of chronic and incurable patients. In keeping with the reduction in the number of beds and the length of time for the treatment of tuberculosis, the federal tuberculosis control grant, which in 1962 was $3,500,000, has fallen in 1966 and 1967 to approximately $2 million. One of the reasons tuberculosis cannot be treated in general hospitals openly like any other disease, including mental disease, is that a certain percentage of these cases are highly infectious, and to do so might give rise to the spread of tuberculosis through the general hospitals. We are pleased that although the incidence of tuberculosis remains the same, the death rate has actually declined by 83 per cent since 1951.

I should like to say a few words about mental disease. It is apparent from the figures available that mental disease is either increasing or is being treated at an increasing rate. Certainly, we have far better diagnosis of mental disease than we ever had in the past, and the diagnosis is much easier to carry out now because the treatment available either to the general practitioner or the psychiatrist is a great deal more effective than it ever has been.

In 1962 we had 83 mental hospitals with something like 67,000 beds devoted to the care of the mentally ill. In 1963 there were 87 mental hospitals with something over 68,000

hospital beds devoted to the mentally ill. This does not represent the true number of patients who are suffering from mental illness as many psychiatric patients are under general hospital care. At one time I believe there were many mentally ill patients admitted to general hospitals under a different diagnosis, where these patients could be rapidly treated. Now, as a result of changes in the Hospital Insurance and Diagnostic Services Act, we are actually admitting them for mental hospital care as psychiatric patients.

Today in Canada more than 60 general hospitals have organized psychiatric units with 2,000 more beds than were devoted ever before to the care of the mentally ill. This gives us well over 72,000 beds in Canadian hospitals devoted to the care of the mentally sick. As the hon. member said, I think this represents almost half of the hospital beds in Canada devoted to this illness.

For some years now the mental health grant has been stationary at approximately $9 million. I hope the government will see fit to increase this amount so that a greater amount of money can be spent on research in respect of mental illness. We are all aware that one of the first breakthroughs, if you wish to call it that, in the treatment of mental diseases was the discovery of the drug L.S.D., about which we hear a great deal in the press and elsewhere at this time. L.S.D. is able to reproduce the symptoms of the mental disease schizophrenia. It is obvious that when we can reproduce symptoms of a mental disease by the use of a drug, we have come a long way toward finding a treatment for that particular disease.

I have every sympathy for the private member's notice of motion now before the house. Certainly if we are to expect the general public to treat tuberculosis, mental disease and mental retardation like any other disease, we must expect the federal government to do the same thing.

May I call it six o'clock, Mr. Speaker?

Mr. Speaker: Order, please. Is it the wish of the house that I call it six o'clock?

Mr. Knowles: No; put the question.

BUSINESS OF THE HOUSE

Mr. MacEachen: Mr. Speaker, tomorrow we will consider the estimates of the Department of National Defence. If we should complete those tomorrow we will call the estimates of the Department of Labour and continue with those estimates on Friday. If those estimates should be completed we would then call the Cape Breton Development Corporation bill.

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

HOUSE OF COMMONS

Thursday, June 22, 1967

The house met at 2.30 p.m.

[*Translation*]

HOUSING, URBAN DEVELOPMENT, AND PUBLIC WORKS

THIRD REPORT OF STANDING COMMITTEE

Third report of standing committee on housing, urban development and public works—Mr. L. Gendron.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

[*English*]

HOUSE OF COMMONS

APPOINTMENT OF ASSISTANT DEPUTY CHAIRMAN OF COMMITTEES

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I move:

That Paul Tardif, Esq., the member for the electoral district of Russell, be appointed as Assistant Deputy Chairman of the committee of the whole house.

Some hon. Members: Hear, hear.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, normally I do not rise on occasions like this, but I am sure all of us are happy at this appointment. May I also say that in this afternoon's Ottawa *Journal* the hon. member is shown being sunned in appreciation. I am very glad to see the hon. member here.

Mr. Paul Tardif (Russell): Mr. Speaker, actually the picture in the Ottawa *Journal* today—and I am rising on a question of privilege—does not mainly depict me as being sunned; it depicts me accustomed to being completely impartial.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Motion agreed to.

[*Translation*]

SUPREME COURT ACT AMENDMENT

PROVISION FOR RENDERING DECISIONS IN ENGLISH AND FRENCH

Mr. Réal Caouette (Villeneuve) moved for leave to introduce Bill No. C-138, to amend the Supreme Court Act.

Some hon. Members: Explain.

Mr. Caouette: Mr. Speaker, the purpose of this bill is not to compel justices of the supreme court to make two rulings one in French and one in English, but to enact that French shall be recognized as equal to English in all judgments delivered by the Supreme Court of Canada.

Motion agreed to and bill read the first time.

• (2:40 p.m.)

CANADA DAY ACT

PROVISION OF LEGAL HOLIDAY HONOURING FRENCH SPEAKING CANADIANS

Mr. Auguste Choquette (Lotbinière) moved for leave to introduce Bill No. C-139, an act respecting French speaking Canada day.

Some hon. Members: Explain.

Mr. Choquette (Lotbinière): Mr. Speaker, everyone agrees that Canadianism cannot be defined other than on the basis of the two great linguistic communities, one English speaking, the other French speaking. Since the French fact is not the perquisite of Quebec, it must be considered as part and parcel of the Canadian reality.

Our centennial year could be the most appropriate time to assure the statutory recognition of a day designed to celebrate the French fact in the whole Canadian territory.

If Victoria day, in the celebration of which French speaking Canadians like to participate, may be considered in some respects, as the English speaking Canada day, June 24 could be known as the French speaking Canada day. That is the purpose of this bill.

Motion agreed to and bill read the first time.

[*English*]

EXPO '67

REQUEST THAT PUBLIC HAVE OPPORTUNITY TO SEE HER MAJESTY THE QUEEN DURING VISIT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Prime Minister why it is that Her Majesty, in

her visit to Expo, Montreal, is to be denied seeing her Canadian subjects. A check with the state visit section reveals that no one will be allowed in the areas in which the Queen is during her stay there. I think this is a serious reflection on her good citizens of the province of Quebec. The arrangements should be altered so that these people, too, will have the opportunity of seeing their Queen.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not think the situation is exactly as described by my right hon. friend. Expo will open on July 3 at the normal time. However, Ile Notre Dame will not be accessible to the general public while Her Majesty makes her initial motor tour of the island, completing that at about 10 a.m. Thereafter the whole island, with the exception of the area containing the U.K. and the various Canadian pavilions, will be opened to the public. The small remaining section will be progressively opened to the public as the Queen leaves the various pavilions she is visiting. By 12.45 p.m. the entire Expo site, with the exception of the Canada pavilion and the adjoining lake area, will be accessible to the public. This final pavilion will be open to the public following the Queen's departure at approximately 3.45 p.m. There will of course be substantial numbers of invited guests at each pavilion being visited by Her Majesty, while Her Majesty is visiting it. These arrangements were made after a good deal of consideration by all those concerned with the matter and it is felt they are the most appropriate in the circumstances.

Mr. Diefenbaker: Is there no possibility of these arrangements being reconsidered? This morning and yesterday afternoon I received three calls in connection with the matter. These people object very much to Her Majesty being sent to Coventry.

UNITED NATIONS

MIDDLE EAST—CANADIAN POSITION RESPECTING WITHDRAWAL OF ISRAELI FORCES

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. In view of the very strong statements that are being made at the United Nations by the representatives of various countries regarding the withdrawal of Israeli forces from the territory which has been acquired during the recent conflict, may I ask the Prime Minister whether the Canadian government's position will be that any withdrawal of Israeli forces must be preceded by a political settlement which would contain ironclad guarantees as to Israel's right to exist, the security of its subjects, and the right of access to the Suez canal and the gulf of Aqaba?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the Canadian position linking withdrawal with a political settlement and political guarantees has been made clear in this house, and it will be made clear tomorrow when the Secretary of State for External Affairs makes his statement to the assembly.

Mr. Douglas: I have a supplementary question, Mr. Speaker. There can be no doubt about the linking of the political settlement with any withdrawal. The importance, it seems to me, would be whether or not the political settlement is to precede the withdrawal in order to obtain the co-operation of Israel, which must have some justifiable doubts about the guarantees they were given in 1956 and 1957. May I ask the Prime Minister whether the Canadian position is that a political settlement must precede any withdrawal?

Mr. Pearson: Mr. Speaker, a political settlement requires the co-operation of the Arab neighbouring states as well as Israel. I prefer at the moment not to go beyond what I have said.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I have a supplementary question which has to do with the aide mémoire of August 5, 1957 prepared by the late Dag Hammarskjold regarding the terms upon which the emergency force would occupy the areas adjacent to or within Egypt. Because of the controversy which has now arisen as to whether the secretary general should not under all the circumstances have submitted this matter to the assembly of the United Nations, would the Prime Minister table that aide mémoire so that Canadians will have full knowledge of the contents thereof?

Mr. Pearson: Mr. Speaker, I cannot of course table the aide mémoire as an official document either of the Canadian government or indeed as an official document of the United Nations or even one that is part of the UN records, because the secretary general has stated that it is not a UN document in any sense but a personal memorandum of the secretary general outlining his understanding of what had occurred. That document, whatever may be its official significance,

has been made public by a United States citizen who has possession of it. I have no objection of any kind, if it is appropriate, to tabling the document as it was produced by that particular gentleman.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, my question stems from a statement made by the hon. Minister of Agriculture. I direct it to the hon. Minister of Forestry and Rural Development.

With regard to the creation of a task force composed of three specialists to be entrusted with making a thorough survey of the agricultural problem in Canada, does the minister feel he will have to resign from his post to join the new group, in view of the shortage of competent people to deal with the tragic plight of the farmers?

Mr. Speaker: The question is out of order.

[*English*]

EXTERNAL AFFAIRS

MIDDLE EAST—MEETING BETWEEN PRESIDENT JOHNSON AND PREMIER KOSYGIN

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the right hon. Prime Minister related to the meeting which was held yesterday between the Secretary of State for External Affairs and Premier Kosygin. It has been reported that the Secretary of State for External Affairs urged Premier Kosygin to consider a meeting with President Johnson. I wonder whether the Prime Minister could tell us whether or not the Secretary of State for External Affairs was successful in his representations to the premier?

Right Hon. L. B. Pearson (Prime Minister): I cannot answer that question because, so far as I know, no meeting has yet been arranged. However, it is hoped there will be a meeting before Mr. Kosygin leaves for Moscow as he has put off his departure from today until Saturday. It is to be hoped that these leaders of the two greatest powers in the world will be able to meet while Mr. Kosygin is in New York.

Inquiries of the Ministry

EXTERNAL AID

DISCUSSIONS BETWEEN CANADIAN MINISTER AND PREMIER KOSYGIN RESPECTING ASSISTANCE TO REFUGEES

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, could the Prime Minister advise the house whether or not the Secretary of State for External Affairs raised the question of assistance, particularly to refugees in the area, by the Soviet union, along with the other countries in the world, and was there any response to this kind of representation?

Right Hon. L. B. Pearson (Prime Minister): I am not sure that I got the purport of my hon. friend's question. Was he referring to a four-power meeting?

Mr. Olson: I am sorry, Mr. Speaker. All I wanted to ask the Prime Minister was whether or not the Secretary of State for External Affairs discussed with the leader of the Soviet union if that country was prepared to provide some assistance, particularly to refugees in that part of the world? The minister stated in this house that he thought all powers should do this.

Mr. Pearson: Mr. Speaker, I am not sure whether the Secretary of State for External Affairs discussed that particular question, but I am sure all hon. members will agree that at this time the Soviet union would perhaps be better occupied in participating in the relief of Arab refugees than in sending arms to the United Arab Republic.

CAPE BRETON DEVELOPMENT CORPORATION

REQUEST THAT MCBEAN COLLIERY BE INCLUDED IN LEGISLATION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, yesterday in the absence of the right hon. gentleman I asked whether a communication had been received from the Louisbourg Board of Trade signed by the president of the board, who insisted that the S and L line from Broughton Junction be included in the Cape Breton development plan.

At the same time, as this is part and parcel of the question I asked yesterday, would the Prime Minister say whether he has received a telegram from local union No. 4527, United Mine Workers, of New Waterford, Nova Scotia, requesting reconsideration of the omission to include in the bill the McBean

colliery, particularly in view of the fact that various locals of the union allege that it was understood in conversations or discussions with the Prime Minister that this particular mine would be included? Would the Prime Minister look over the matter again, now that the bill has been held in suspension, as it were, for a few days and make a further effort to agree to the two suggestions that I have brought to his attention?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think I have received five telegrams on this matter. I sent them to the minister concerned as soon as I received them. The minister has been attending the Canadian-American ministerial meeting in Montreal and will be back this afternoon. He will be dealing with the telegrams this evening and will be in a position I hope to make a statement on the matter tomorrow.

[*Later:*]

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I should like to ask the Prime Minister whether the government is not now prepared to meet with the delegation, as requested by the UMWA?

Mr. Pearson: I think that the Minister of Energy, Mines and Resources has the matter in hand.

Mr. MacInnis (Cape Breton South): A supplementary question. The matter is in hand, as the Prime Minister has said, but the Minister of National Health and Welfare is also aware of the situation. Can he provide the answer? Are they or are they not to be met?

Mr. Pearson: Mr. Speaker, I shall ask the minister, as soon as he gets back this afternoon, what arrangements he has made.

LABOUR CONDITIONS

CAPE BRETON—STOCKPILING OF STEEL TO PERMIT RE-EMPLOYMENT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the Prime Minister a related question. Has the cabinet reached any decision with respect to the request of the Nova Scotia delegation for advances to stockpile soft steel in order to enable the steel mill at Sydney to re-employ some of the 1,000 men who were laid off recently?

[Mr. Diefenbaker.]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this is not a question of stockpiling the production of an industry but the production of a particular company in an industry. The matter is under consideration. I hope I will be able to make a statement on the question at the beginning of next week, either Monday or Tuesday.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a supplementary question. May I ask the Prime Minister whether he is aware that stockpiling has taken place in the past, with the assistance of the government?

Mr. Pearson: Yes, Mr. Speaker, stockpiling has taken place within the last year or two in the uranium industry. This was stockpiling of all the production of the industry throughout the country, wherever the product was produced. This is not quite the same situation as stockpiling the production of a particular company in an industry.

Mr. Muir (Cape Breton North and Victoria): A further supplementary question, Mr. Speaker. I am afraid the right hon. gentleman misunderstood the intent of my question. I was thinking not of uranium but of steel. I am not quite clear about the situation.

Mr. Pearson: I am not quite clear about that, but I shall look into that aspect of the matter.

UNEMPLOYMENT INSURANCE

TOBACCO—PAYMENTS BY SEASONAL WORKERS TO FUND

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question to direct to the Minister of Agriculture. In his absence may I direct it to the Minister of Labour whose department is also involved in this matter. My question is this: Is the government giving immediate consideration to alteration of the regulations concerning seasonal farm labour in the tobacco and cash crop industries with respect to the regulations affecting payments to the unemployment insurance fund and the Canada Pension Plan? This matter is of great urgency, Your Honour, to this industry, and it is becoming increasingly urgent as farm labour must be acquired shortly.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, this matter has been under study for some weeks. It is not as simple as one might like it to be. Legislative changes

might be necessary to accomplish the objectives in mind. No final decision has been reached, but within the next week or two there will be a decision about whether we should do anything in the unemployment insurance field.

HEALTH AND WELFARE

ACTION TO MEET SHORTAGE OF MEDICAL MANPOWER

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in view of the repeated warnings this week by members of the Canadian Medical Association in Montreal that Canada, right now, is facing a serious shortage of medical manpower, can the Minister of National Health and Welfare say whether he is seriously considering announcing in the near future further government measures to deal with the situation?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the problem of medical manpower in Canada is complicated, as is evident from the discussions that are taking place in Montreal. It relates to actions and attitudes that are even beyond the scope of the federal government.

We have taken steps to increase the training facilities for medical personnel and we expect that within the next few years, as a result of this action, there will be a 20 per cent or 25 per cent increase in the output of medical graduates in Canada. That output, combined with the annual emigration to Canada of doctors, will have an important effect in meeting what will be an increased demand upon the profession as a result of medicare and expanded health services.

Mr. E. Nasserden (Rosthern): A supplementary question, Mr. Speaker. Is the government not considering a system of scholarships for medical, dental and eye specialist training?

Mr. MacEachen: Mr. Speaker, we have not under consideration a special program of student aid for this group.

[*Translation*]

OLD AGE SECURITY

POSSIBLE WITHDRAWAL OF MEDICAL AID CARDS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

Inquiries of the Ministry

Since the implementation of the $105 monthly pension for older people, that is, since the $30 increase has been granted, is there a federal-provincial agreement to the effect that the province of Quebec may withdraw the medical cards already issued to the aged in that province? In other words, is there a federal-provincial agreement providing that as soon as an aged person receives a $105 monthly pension from Ottawa, the province of Quebec can withdraw the medical assistance cards issued to that person? Is there an agreement to that effect?

Mr. Speaker: I believe that this is a very important and complicated question that should be put on the order paper.

SHIPPING

INQUIRY RESPECTING MEASURES TO AVOID ACCIDENTS ON ST. LAWRENCE

On the orders of the day:

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I have a question for the hon. Minister of Transport.

Since two ocean liners are stranded at present in the St. Lawrence in front of Trois-Rivières, and since accidents of that kind, with occasional loss of life, seem to have increased for the last few weeks, could the hon. minister tell us whether he has received any representations to the effect that an inquiry into the causes of such accidents should be held and that the most effective steps should be taken to rectify this as soon as possible?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Though I have not made a check with regard to these two cases in particular, I believe it is the practice of the department to conduct an investigation urgently into every case of this kind. I certainly feel it is very important that this should be done.

[*Later:*]

[*Translation*]

Mr. Mongrain: I should like to direct a question to the hon. Minister of Transport.

Since I just realized I was a victim of his magnetism a while ago, as he answered only the first part of my question, I should like to repeat the second part: Are steps being taken to reduce or eliminate such accidents, such running aground, which seem to be increasing in the Trois-Rivières area?

Inquiries of the Ministry

[*English*]

Mr. Pickersgill: Yes, Mr. Speaker; a number of measures have been taken with a view to reducing the possibility of accidents. One or two very eloquent speeches on this subject have been made by my colleague the Registrar General, and I shall be glad to send them to the hon. member.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. R. D. McLelland (Rosetown-Biggar): I should like to address this question to the Prime Minister. In view of the many representations I have received from across Canada, would the right hon. gentleman consider, on July 1, naming the South Saskatchewan dam the John G. Diefenbaker dam?

Right Hon. L. B. Pearson (Prime Minister): I understand a decision has been taken in this matter. But I also understand there is a very large lake adjoining the dam, and much wider than the dam, which has yet to be named.

AIR CANADA

AIRCRAFT TO AUGMENT ACCOMMODATION—DEPOSITS WITH RESERVATIONS

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): I would direct my question to the Minister of Transport. Can the minister tell the house whether Air Canada, in the interests of overcoming the current acute shortage of passenger space on Canadian air lines, plans to accept an offer of five new, fully manned passenger jets which has reportedly been made to Air Canada by Trans-Air Limited?

Hon. J. W. Pickersgill (Minister of Transport): I have no knowledge on that subject, but the hon. member for Mackenzie asked a question of my parliamentary secretary yesterday with the same purpose in mind, and, if I am permitted to answer now, I would say I have suggested to my department and, through my officials, to the main air lines, that they consider very carefully adopting a system whereby deposits would be required in connection with reservations. If this practice were followed there might be a lot more seats available.

Mr. Sherman: Would the minister investigate the existence of this offer which is reported to have been made to Air Canada during the last three weeks?

[Mr. Mongrain.]

Mr. J. M. Forrestall (Halifax): Would the Minister of Transport also have his officials look into the alternative to the suggestion he has made, that is, doing away completely with reservations?

Mr. Pickersgill: I will be glad to look into any possible means of making better use of the existing facilities. I think there is more hope in that direction than there is in trying to find additional aircraft at a time when there is a world wide shortage of passenger aircraft.

Mr. Lawrence E. Kindt (Macleod): Does not the minister think that there are already enough impediments to air travel, without requiring any more?

Mr. Pickersgill: I am seeking to remove impediments to travel, such as the practice which some people in this country follow of making four or five different reservations and then not turning up at the airport.

An hon. Member: Names.

Hon. J. A. MacLean (Queens): Has any consideration been given to the suggestion that Eastern Airlines be given the privilege on a temporary basis, during the Expo period, of carrying passengers between Montreal and Ottawa? At present there are several dozen seats going back and forth empty every day.

Mr. Pickersgill: The hon. member was good enough to make a similar suggestion to me privately, and the matter is under urgent consideration. I believe there is one serious difficulty under the law: If this were allowed, Eastern Airlines would probably have to pay customs duty or tax on the aircraft. But it might be possible to overcome this obstacle without the necessity for legislation.

EXTERNAL AFFAIRS

CYPRUS—FINANCIAL SUPPORT FOR GREECE AND TURKEY

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I have a question which I would have asked the Secretary of State for External Affairs or one of his parliamentary secretaries, had they been in the house. Instead I will address it to the Prime Minister and he can take it as notice if he wishes. In the light of recent events in Greece—the takeover of government by a military dictatorship—and in the light of the failure of Turkey and Greece to get together to reach a political settlement in

Cyprus, will the government reconsider a new item which appears in the estimates of the Department of External Affairs setting aside $1 million in defence support assistance for Greece and Turkey?

Right Hon. L. B. Pearson (Prime Minister): I will be glad, as invited by the hon. gentleman, to take that question as notice.

[*Translation*]

LABOUR CONDITIONS

CALUMET, P.Q.—CLOSING OF C.I.P. PLANT

On the orders of the day:

Mr. Roger E. Régimbal (Argenteuil-Deux-Montagnes): Mr. Speaker, I wish to put a question to the Minister of Industry and Defence Production but, in his absence, I shall address it to the Prime Minister.

In view of the fact that the C.I.P. company which employs 130 people at Calumet has announced it intention of closing its doors as of May 1968 and since it is the only industry in this locality, does the Minister of Industry intend to take steps to try to replace this only source of employment?

Mr. Speaker: The hon. member is referring to a situation which will not occur until May 1968 and, in the circumstances, I think this question could be put on the order paper.

Mr. Régimbal: With your kind permission, even though the event may be ten or twelve months removed, the problem is immediate and, for that reason, I should like to bring it up at ten o'clock.

[*English*]

FINANCE

EXTENSION OF SALES TAX REMOVAL TO ALL PUBLIC HOUSING

On the orders of the day:

Mr. A. D. Hales (Wellington South): I should like to address my question to the Minister of Labour although I realize it is related to the Department of Finance. In view of the critical housing situation which exists in Canada, and in view of the fact that the government has removed the building tax on university residences, would the minister not consider extending freedom from this tax to all public housing whether for senior citizens or for family occupation?

Hon. J. R. Nicholson (Minister of Labour): As one might expect, this matter has been discussed by me with the Minister of Finance and others of my colleagues. We are not disposed to recommend any change at this time, however, though the matter is under constant study.

Mr. Hales: In order to overcome the discriminatory feature involved, does the minister not think the concession should be broader in scope?

Mr. Speaker: The hon. member is asking an argumentative question.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO APPOINTMENT OF PRESIDENT

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): I should like to rephrase a question I asked the Prime Minister on Tuesday; I hope the right hon. gentleman will rephrase his answer. Will the new president of the Canadian Broadcasting Corporation be appointed by June 30 and, if not, can the Prime Minister say by what date, approximately, this appointment will be made?

Right Hon. L. B. Pearson (Prime Minister): June 30 is I think only four or five days from now. This appointment will be made as soon as possible.

FISHERIES

NOVA SCOTIA—EXTENSION OF LOBSTER FISHING SEASON

On the orders of the day:

Mr. David MacDonald (Prince): My question is addressed to the Minister of Fisheries. Two days ago, in the hon. gentleman's absence, I asked the Prime Minister whether we might expect an extension of the lobster fishing season in district 7B. Is the minister now in a position to make an announcement in this regard?

Hon. H.-J. Robichaud (Minister of Fisheries): The question as put by the hon. member was brought to my attention immediately on my return to Ottawa, and in keeping with the promise I made earlier I wish to inform the house that in districts 6B,7A,7B and 7C the lobster season will be extended for periods varying from five days to two weeks, depending on existing conditions in those districts. A detailed announcement to this effect was issued earlier today.

Inquiries of the Ministry

NOVA SCOTIA—ASSISTANCE TO FISHERY ALONG SOUTHERN AND EASTERN SHORES

On the orders of the day:

Mr. J. M. Forrestall (Halifax): May I ask the Minister of Fisheries whether he has now received from the province of Nova Scotia any recommendation with regard to aid to the industry along our southern and eastern shores?

Hon. H.-J. Robichaud (Minister of Fisheries): The matter has been under discussion between the minister of fisheries for Nova Scotia and myself and, in addition, I discussed it last week with the premier of that province when he was here in Ottawa. It is now under consideration. I might add that in attempting to find a solution to this problem we are hoping to establish a more permanent solution which will be acceptable to the fishermen concerned.

SPRING TROLLING ON PACIFIC COAST

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): While the minister is talking about the closing of seasons can he inform the house whether he has reached any agreement with the United States on an earlier opening date for spring trolling on the Pacific coast?

Hon. H.-J. Robichaud (Minister of Fisheries): No, Mr. Speaker; not yet.

TRANSPORT

ABANDONMENT OF GUARANTEED RAIL SERVICE

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is for the Minister of Transport. Has the Department of Transport given any approval to the elimination, or reduction of any rail service on any line, despite the fact that the operations of such lines may have been guaranteed by a statement from the government—and incidentally by a deposit being paid—and are not subject to abandonment.

Hon. J. W. Pickersgill (Minister of Transport): No, Mr. Speaker; no such instruction has been given by the Department of Transport. If it had been given it would have no legal validity whatsoever.

[Mr. Robichaud.]

WATER RESOURCES

OTTAWA, ONT.—MEASURES TO CORRECT POLLUTION IN CAPITAL AREA

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask a question of the Minister of Energy, Mines and Resources, but since he is not here perhaps I might address it to the Prime Minister. Having in mind the recent reports that the parliament buildings face one of the worst examples of water pollution in Canada, what steps does the government intend to take to ensure co-operation between the municipalities of Ottawa, Hull and other interested communities in an effort to eliminate this water pollution problem in the national capital area.

Mr. Speaker: Order, please. This question of very wide scope should be placed on the order paper.

AGRICULTURE

CONDITIONAL REFUSAL BY CHARTERED BANKS TO ISSUE FARM LOANS

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, the other day I had a question for the Minister of National Revenue. Is he ready to answer it now?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, this was a question addressed to the Minister of Finance with regard to two banks. The suggestion was that these two banks were refusing farm improvement loans to farmers, unless they transact all their business with their particular banks. The information we have is that this is not the policy of the two banks referred to by the hon. member. I should point out, however, that the Farm Improvement Loans Act authorizes the government to guarantee loans made by banks to farmers for a wide range of farm improvement projects. These loans are made from the banks' own funds and the guarantee is an incentive for the banks to commit some of these funds to farm improvement loans on a term basis. There is nothing in the legislation which requires a bank to make such loans.

TRANSPORT

PORT ABINO LIGHTHOUSE—RIGHT TO VISIT INSTALLATIONS

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for

the Minister of Transport. In view of the denial of access to the Port Abino lighthouse to which I referred on Monday may I ask the minister what steps he has taken to protect the rights of federal members to visit installations which are paid for out of the federal treasury.

Mr. Speaker: Order, please.

AGRICULTURE

BRITISH COLUMBIA—APPLICATION OF DAIRY POLICY

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I have a question for the Minister of Agriculture, but in his absence the parliamentary secretary might be able to answer it. Can we expect an announcement giving details of the application of the national dairy policy to the dairy industry of British Columbia.

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am not aware of any announcement being imminent, but I will bring this to the attention of the Minister of Agriculture.

[*Translation*]

EXTERNAL AFFAIRS

SUGGESTED ADDITIONAL CONSULAR SERVICE

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, my question is directed to one of the most scholarly minds in this house, the hon. member for Hochelaga (Mr. Pelletier), parliamentary secretary to the Secretary of State for External Affairs. And I immediately give notice that I will raise the said question at ten o'clock.

In view of the fact that thousands of Canadians citizens visit Florida at every period of the year and in view of the fact that the closest consulate in the south of the United States is in Louisiana, can the parliamentary secretary tell me whether it is the intention of the government to open a new consulate nearer to the state of Florida? Ten o'clock, unless you accept the question.

Mr. Speaker: Ten o'clock.

[*English*]

PUBLIC SERVICE

LEGISLATION TO INCREASE PENSIONS OF RETIRED CIVIL SERVANTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct this question either to the Prime Minister or to the President of the Treasury Board. Is the legislation to increase the pensions of retired civil servants, as recommended on May 8 by the special joint committee on the public service of Canada, now ready to be presented to parliament?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, the matter is under active consideration by the government.

Mr. Knowles: I have a supplementary question, Mr. Speaker. Will it be presented this month or must we sit into July in order that we may attend to this matter?

Mr. Speaker: Order, please.

AIRPORTS

CASTLEGAR, B.C.—ACKNOWLEDGEMENT OF EXPECTED IMPROVEMENTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in view of the precedent established by the hon. member for Winnipeg North Centre two days ago, have I the opportunity to use this period to thank the Minister of Transport for the expected improvements at the Castlegar airport.

Mr. Speaker: Order, please.

UNITED NATIONS

MIDDLE EAST—CANADIAN ATTITUDE RESPECTING INCLUSION OF JERUSALEM WITHIN ISRAELI TERRITORY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wonder whether the Prime Minister has an answer to the question I asked yesterday in connection with the right of Israel to retain the whole of the city of Jerusalem.

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, this is one important aspect of the whole question of withdrawal, along with a political settlement. I would prefer not to single it out, except to repeat what has been said in the past by Canadian delegates to the United Nations; that is, it is desirable to bring into effect some international protection of the holy places in Jerusalem. I hope this can be worked out. My hon. friend, the Secretary of State for External Affairs, may have a word or two to say about this tomorrow.

Mr. Diefenbaker: Is it the Prime Minister's view that the internationalization would cover the Israeli side of Jerusalem, the whole of Jerusalem and Jordan? That would be very hard on the Israelis, would it not?

Mr. Pearson: I was referring to international supervision of holy places, and not of the area.

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, I have a supplementary question along the same line. Would sovereignty of this actual area be retained within the United Nations?

Mr. Pearson: The suggestion was made many years ago that Jerusalem become an international city under a régime, to be supervised by the United Nations. I doubt whether that would be feasible at the present time.

BUSINESS OF THE HOUSE

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, following the statement made yesterday by the Secretary of State, may I ask the Minister of National Health and Welfare in his position as house leader whether he is now in a position to give an indication of the business of the house for the next six days?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the matter of the house business for the next six days to some extent depends upon consultations which are presently under way. I hope that later in the day I will be in a position to indicate what the business is for the house next week.

Perhaps I should take this occasion to advise the house that it is unlikely that we will be able to adjourn the house at the end of next week, as I had indicated earlier. We will likely be sitting during the following week.

• (3:20 p.m.)

SUPPLY

The house in committee of supply, Mr. Tardif in the chair.

DEPARTMENT OF NATIONAL DEFENCE

1. Departmental administration, including grants to military associations, institutes and other organizations as detailed in the estimates and authority, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, for total commitments of $2,850,056,375 for the purposes of votes 1, 15, 20, 25, 30, 35 and 45 of this department regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,221,323,000 will come due for payment in future years) and authority to make recoverable advances under any of the said votes and, notwithstanding the Financial Administration Act, to spend revenue received during the year, subject to the direction of the treasury board, in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization, any member of the British Commonwealth or any provincial or municipal government and in respect of charges made pursuant to regulations under the National Defence Act for:

(a) clothing and kit items sold to members of the Canadian forces;

(b) living accommodation;

(c) food supplied to members of the Canadian forces and to messes and institutes catering thereto; and

(d) medical and dental care provided to dependants of members of the Canadian forces, $6,593,375.

Hon. Paul Hellyer (Minister of National Defence): Mr. Chairman, in presenting the departmental estimates for 1967-68 I would first like to pay tribute to my able associate minister who has, since he assumed his portfolio, worked in an untiring, conscientious and extremely capable manner in carrying a large share of the burden in this department. The success we have had in streamlining the organization of the armed forces unquestionably would not have been possible without his very strong contribution.

I would also like to express my thanks to the staffs of the chief of defence staff and the deputy minister. Their drive and enthusiasm in meeting the problems associated with the reorganization has been remarkable and the associate minister and I are extremely grateful for their imaginative and capable approach to their tasks. It is particularly significant that, during the period of the reorganization, there has been no falling off of our operational capability. On the contrary, in practically every field our operational capability has been enhanced.

I would also like to thank the men and women of the forces of all ranks for continuing to give unsurpassed professional service to Canada. I may be accused of bias but, unblushingly, I say that man for man, woman for woman, there are no better military people anywhere in the world and we as a nation should be proud of them.

No statement in support of defence estimates would be complete without a review of our foreign policy commitments, upon which defence planning and, therefore, expenditures must be based.

Because of its prominence at the present time, I would first like to discuss our participation in the United Nations. The policy of

successive Canadian governments in support of UN peace keeping is, of course, well known. Canada has provided forces for every peace keeping action since the organization was formed. Since 1949 Canada has supplied a component to the UN military observer group in India and Pakistan. Since 1954 we have been providing observers to the UN truce supervisory organization in Palestine, which has been playing an important role in the current Middle East crisis. It is possible that the United Nations may have to build on this organization to supply a UN presence in the Middle East as a result of recent developments. We are also providing the second largest contingent in the UN force in Cyprus, which continues to make an invaluable contribution to the maintenance of peace and stability, not only on the island but in that particular area of the eastern Mediterranean.

Outside the United Nations, Canadian military personnel continue to participate in the international control commission in Indochina.

While the government regrets the withdrawal of the United Nations emergency force from the Middle East, and the tragic events which have followed that withdrawal, it would be a mistake to jump to the conclusion that peace keeping will never be required in the future.

Demands on the UN to undertake peace keeping operations will, the government believes, continue to be made despite the difficulties which have surrounded the withdrawal of UNEF. While the United Nations will not be able to deal with all the troubled situations which arise in the future, it will remain the only international organization which, in most instances, is acceptable as an impartial outside presence.

It is the government's position that Canada should continue to be prepared to help the UN to carry out its primary task under the charter, namely the maintenance of peace and security, provided we are satisfied that the terms and conditions of peace keeping operations are such as to make this task feasible and are compatible with our foreign policy interests. It is still the government's view that the United Nations still offers the best hope of peaceful intervention in certain situations.

Chapter VII of the UN charter provides that the security council may authorize an enforcement action to maintain or restore international peace as it did in Korea in 1950. It is important, therefore, that Canada be in a position to fulfil its commitments under the charter by having a capability to participate in such an enforcement action, should the government decide to respond to a request for Canadian participation.

I am sure members of the committee would wish to join in paying tribute to the members of the Canadian armed forces who, for so long, as members of UNEF in Egypt, played such an important role in the service of the United Nations and of peace. It was typical of the efficiency of this force and our air transport command that, when word came to leave the area, the force was removed in a remarkably effective manner.

In this regard I would like to emphasize the success—not failure—of our Canadian soldiers and airmen of our force in Gaza. To keep the peace in such an area for more than 10 years was a remarkable achievement for the force which included more than 10,000 Canadian soldiers and airmen who served there since the inception of the operation. They should all be proud of their accomplishment.

The fault is not with the peace keeping force—not at all—it is with the failure to come to grips with the social, economic and political problems that made the peace keeping force necessary in the first place.

In the government's view, a military force is only an umbrella under which men of good will may work to correct the problems that beset mankind. Military force—from peace keeping to nuclear deterrence—is not an end in itself, only a means to an end. If we fail to take advantage of the time and opportunity provided by the military umbrella to build a permanent structure for peace, let us not blame the umbrella if after a decade it begins to spring a few leaks.

The lessons learned from our experience in UN peace keeping operations are many and varied. I would like to list a few of the most important.

First, there is no typical peace keeping operation; no two have been alike. Thus, the ad hoc method of establishing each operation will likely continue.

Second, peace keeping is only the beginning, albeit a vital beginning, to the solution to any international conflict. We must come to grips with the root causes of the hostility or the so-called peace will turn out to be a mirage.

Third, and very important from a practical standpoint, is that the rules governing the peace keeping force must be clearly established at the outset, or soon thereafter.

This latter point was brought vividly to light by the Middle East crisis. It is of vital importance that agreed arrangements be worked out in advance of or soon after the establishment of future UN peace keeping operations.

The Canadian government believes in the need for a world body such as the United Nations. It believes that such an organization should participate in keeping the peace; it believes the UN should eventually have permanent peace keeping machinery. We Canadians of all political parties have consistently expressed these convictions and worked ceaselessly toward this goal before and since the UN charter was signed.

But, being practical people as well, we have not closed our eyes to the limitations of UN authority to act. We have not ignored the fact that the superpowers do not always share the same approach to economic and political matters. We have not been oblivious to the fact that injustice and a woeful imbalance in the sharing of the necessities of life breed strife. We are only too much aware that, as yet, most nations of the world are not prepared to allow a world superbody to decide what they feel are their interests.

It was considerations such as these that led the government, in the white paper on defence of 1964, to reject the then popular concept of devoting our forces to UN peace keeping only. Instead we set out to evolve a force with a wide range of capabilities to participate in military activity from contributing to the deterrence of all-out thermonuclear war down through the scale of hostilities to peace keeping.

The purpose of our defence policy is not and never was to create simply a giant peace keeping force. Certainly, some of the wide range of new equipment we are obtaining, such as jeeps, reconnaissance vehicles, helicopters, and communications gear will enhance our ability in peace keeping assignments. Of course, the huge increase in mobility provided by our acquisition of air trucks and support ships will mean that we can get peace keeping forces and their equipment to trouble spots faster. But this gear also increases the effectiveness of our alliance contributions and, clearly, the procurement of fighter-bombers, self-propelled howitzers, armoured personnel carriers, helicopter-destroyers and other such items are not those associated with peace keeping forces alone.

[Mr. Hellyer.]

• (3:30 p.m.)

The basis of our approach was then, and remains today, one of practical idealism. It was practical idealism in the face of communist expansion that prompted Canada to take a leading role in the founding of the North Atlantic Treaty Organization. The Canadian government continues to believe in the concept of a regional alliance of North Atlantic nations. NATO has succeeded in meeting its objectives of halting the loss of territory to the communist world and creating stability in the European theatre. These have been no mean achievements and the Canadian government believes the maintenance of European stability in an unstable world is as important today as it was when the alliance was formed. Consequently we are continuing to provide military support to the collective strength of the alliance, although we are gradually altering the nature of that support in recognition of the changing character of the threat, the advancing technology of military weaponry and an analysis of the total capability of the alliance.

This year the members of NATO will introduce a new system of planning and reviewing their national military contributions for the alliance. The review will take place in the autumn, when the members will submit plans for the next five years. The results of the autumn review will be submitted to the December ministerial meeting for approval. This new system, the establishment of which Canada has strongly supported, will mesh with our own revised method of planning in five year segments with an annual review.

Thus Canada this fall will be required to inform the alliance of the forces we propose to make available for collective defence. Careful consideration is being given now to this matter, but I can assure the committee that if any changes are made in the nature of our contributions they will be of a slowly evolving, rather than precipitous, nature. That is the responsible course for a member of a group. I should say, however, that there has been no discussion of any changes which would have a bearing on the estimates now before the committee.

Another area of NATO with which Canada is quite obviously concerned is the Canada-United States zone. Quite clearly Canada's security very much depends upon the continuing capability of the United States to deter attack on this continent. Although we may be sure that in her own self-interests the United States would have to repel any attack, however unlikely, upon Canada, it has been

the conviction of successive governments in Canada that co-operation in the defence of this continent is warranted not only for reasons of pride and self-respect but also for practical considerations of sovereignty. For these reasons Canadian forces have worked closely with those of the United States in planning for the defence of North America. This co-operation is illustrated but by no means restricted to the NORAD agreement, which encompasses the responsibility for defence against a bomber attack and warning of one from missiles.

The semi-automatic ground environment, with its cobweb of communications systems covering this continent, together with its manual back-up and associated interceptors, remains of value as long as a potential aggressor is able to attack with bombers. Unquestionably, the main burden of the Soviet union's strategic capability now rests on intercontinental ballistic missiles. But the arbitrary dissolution of anti-bomber defences, already installed at considerable expense, would serve only to upgrade the strategic potential of the U.S.S.R.'s long-range bomber force, now generally accepted to be approximately 150 manned bombers capable of reaching the North American heartland on a two-way mission.

In regard to an anti-ballistic missile—known as A.B.M.—defence, I am sure members of the committee are aware of the current debate in the United States about the wisdom of deploying such a system. The costs involved are considerable: approximately $10 billion for a light defence and upward of twice that for a more extensive damage-limiting system. To these initial installation costs would be added sizeable annual maintenance and improvement costs, plus probable additional expenditures for improved manned interceptors, and a shelters program. It is clear that a decision by the United States to deploy an A.B.M. system would involve heavy additional defence expenditures. So far no such decision has been reached although development work continues.

The implications for Canada if the United States does proceed with an A.B.M. system are worthy of serious consideration in this country. As I indicated during the discussion of the Canadian Armed Forces Reorganization Act, I would welcome a debate on this subject in this house.

Mr. Brewin: Mr. Chairman, may I ask the minister a question?

Mr. Hellyer: Yes.

Mr. Brewin: Would the minister welcome an opportunity being given to the house to go into the technical aspects of this very important problem by referring it to the standing committee on national defence, presumably after the recess?

Mr. Hellyer: I think this would be a very good suggestion, at an appropriate time. I think the timing would depend to a considerable extent on the amount of information available, the timing of the decision-making process and when a decision is required. What I am really trying to say is that we might not have by early fall all the information the committee would want in order to provide background for an intelligent discussion.

Mr. Brewin: Mr. Chairman, I wonder whether I could ask the minister a sort of supplementary question? Does the minister not think it would be very valuable for Canada, in stimulating the debate about Canadian involvement in this system—as the minister said debate has taken place extensively in the United States—to proceed with this discussion in the defence committee, elaborating knowledge of the implications for Canada, as early as possible so that when a decision has to be made by Canada it can be made in an atmosphere of wide diffusion of public knowledge and knowledge in this house on the subject?

Mr. Hellyer: Mr. Chairman, I agree with my hon. friend, and just as soon as the range of information that is necessary for a really thorough discussion is available I would be quite prepared to refer the subject matter to the committee for their consideration. I think this is a good idea.

In the discussion it should be clearly understood that membership in NORAD does not commit either partner to participating in aspects of the defensive system. For instance, Canada has never adopted the NIKE-Hercules system for close-in anti-bomber defence, and other than communications, Canada is not involved in the ballistic missile early warning system or B.M.E.W.S.

Similarly, re-signing of the NORAD agreement would not automatically commit Canada to participate in the A.B.M. program if the United States should decide to proceed. That is a question for each country to decide on the basis of its own national interest. Should the United States decide at a later date to deploy an A.B.M. system I have no doubt, in view of the close co-operation between our two countries, that the United States would

make it possible for Canada to opt in if at any time we felt it was in the interest of our country to do so.

To augment the information made available to us by the United States, the Department of National Defence has undertaken an independent study of the A.B.M. question, including the possible effects on Canada of a decision by the United States to deploy a system exclusively in that country.

I would now like to discuss the general manpower situation in the forces and some of the changes being made in service conditions for the benefit of our servicemen and women. There has been an upswing in recruiting during the first five months of 1967. By the end of May, a total of 6,443 recruits had enrolled in the three services, an increase of 2,727 over the corresponding period in 1966. For those who prefer percentages, that is an increase of 73 per cent over the intake for the same five month period last year.

Some hon. Members: Hear, hear.

Mr. Churchill: That figure is meaningless.

• (3:40 p.m.)

Mr. Hellyer: The month of May, 1967, was the highest recruiting month since 1962. This improvement in recruiting, coupled with an upward trend in the number of re-engagements, has resulted in an increase in the strength of the forces since the beginning of the year. The total regular forces strength on May 31 was 105,972, an increase of 1,015 over the strength at the end of December, 1966. In addition, there are at all times a number of reserves on full-time duty with the regular force, and if the 271 men and women in this category are included the total number of personnel serving in the regular forces on May 31 this year was 106,243.

Steady progress is being made in our program to amend and revise the rules and regulations governing the employment of the men and women in the armed forces. This program has a twofold purpose. It is greatly improving service conditions by eliminating inequities in promotion and employment opportunities and inconsistencies in personnel policies generally, thereby improving morale and increasing efficiency. At the same time it is streamlining procedures which will gradually reduce the costs of personnel administration.

Let me give the committee a few examples of the steps that have already been taken or will be taken shortly:

[Mr. Hellyer.]

1. Administration of all men in the forces is now centralized. In the past there were three different systems with disadvantages in each, such as the decentralization of the selection process to command headquarters level, which limited career and employment opportunities.

2. A common enrolment policy for officers has been established and a common enrolment policy for men will become effective this summer.

3. A common policy on commissioning from the ranks has been drawn up which eliminates the inequities in the three existing service policies. The new policy will become effective this summer.

4. The provision by the forces of matriculation level education to those who wish it, previously only available to navy men, has been expanded to all men in the forces.

5. A common promotion policy for officers has been drawn up and will be introduced in July. A common promotion policy for men was announced on October 1, 1966, which will standardize promotion opportunities in the forces. However, because the previous single service policies were so vastly divergent, the new policy will be introduced in stages.

Steps are also being taken in the fields of welfare and pay and allowances, all of which make service life more attractive.

1. A new system for the allocation of married quarters on forces' bases has been introduced which eliminates many of the inconsistencies in the former individual service systems.

2. Moving allowances granted to personnel moving on transfer from one location to another have been substantially increased to a realistic amount.

3. The Canadian forces social welfare services have been integrated and their services extended to all formations and units in the forces.

4. A common leave policy has been introduced for all members of the forces.

I would like to discuss briefly what we are doing in the field of management engineering. From time to time we have been taken to task for what might appear to be an overriding interest in the techniques of good management and efficiency.

For some reason some people appear to feel that there seems to be something slightly inconsistent in the suggestion that military affairs can come under the influence of modern management practices. The fact is, and

this has been adequately demonstrated time and time again, the application of formalized management practices in the conduct of military operations is an absolute necessity at any time, but particularly so when operating under strict budgetary limitations.

The development of a small, well trained group of management engineers at Canadian forces headquarters has resulted in substantial savings in existing military organizations, particularly in the field of manpower, and has provided us with a scientific measure on which to base future organizations or new manpower needs. Specifically this group conducts organization analyses, systems and procedures analyses, method studies, and work measurement studies. It is impossible to accurately gauge all the benefits derived from this work but some idea will be gained from the estimate made by the group for the period from January to May of this year when 25 completed studies involving a direct cost to the forces of approximately $56,000 are forecast to return savings of over $900,000. Another example is found in the study of the maintenance manpower requirements for the Tutor and T-33 aircraft which resulted in a recommended reduction to manpower establishments of approximately 16 per cent. The average manpower savings as a result of our management engineering studies are 12 per cent and we will continue to employ these techniques of good management in the months and years ahead.

On April 1, 1965, the Canadian forces communications system was formed to manage the fixed strategic communications services formerly operated by the three separate services, using separate but parallel staffs.

Under C.F.C.S., the operation and management of the composite system has been completely unified, while the actual physical facilities have been integrated electronically and consolidated physically to the greatest extent possible. Coincident with the formation of the C.F.C.S., a program was undertaken to develop a master plan for the modernization and automation of all D.N.D. strategic communications systems. Because of the magnitude of the task, a team of consultants was hired to undertake the actual detailed studies and to develop a master plan for the new system. The study began in September, 1965, and is scheduled for completion this fall. New facilities to implement the plan will follow.

In the area of leased communications, C.F.C.S. has been able to reduce expenditures from $28 million in the fiscal year 1964-65 to an estimated $21 million for the fiscal year 1967-68, saving of approximately $7 million. The reduction may be partially attributed to the closing of certain bases; however, the greatest portion of this reduction is the result of the elimination of unnecessary facilities and the closer control of contract arrangements which has become possible by vesting this activity in a single specialized staff.

While working toward the automated system, C.F.C.S. has been able to undertake a number of short term consolidations which have yielded improvements in operations together with many worth-while economies. For example, C.F.C.S. inherited personnel totalling 3,307 military and civilian. By organization adjustments, an outright personnel saving of close to 10 per cent has already been realized. The major savings in personnel which automation of the system will provide must await the implementation of the consultant study, but they promise to be sizeable indeed.

Perhaps more important than the economies to be realized is the fact the new automated communications system will give the men and women of our forces the modern communication they need and deserve to carry out their widespread duties.

Last August the chief of defence staff ordered a review of the organization and administration of the reserves, including their tasking, command and control, training and equipment. The recommendations stemming from this review were approved last January, after consultation with the conference of defence associations, and the new plan will become fully effective January 1, 1968. A major feature of the plan is the provision of realistic tasks for the reserves within the framework of their existing organization. Units of the reserves will be linked to those elements of the regular force which they must directly support.

To provide more efficient and centralized command of all reserves, the commanding officer naval divisions, the naval reserves headquarters at Hamilton, will be relocated in Ottawa in September and command and control of naval divisions will be exercised by the director general reserves. Changes will also be made in the command structure for militia and army cadets which is now vested in the deputy chief of reserves at Canadian forces headquarters and exercised through 12 district headquarters. The new structure will divide the country into five regions commanded by regular officers with seven small district headquarters commanded by a militia officer to be known as the district commander,

militia. This officer will command all militia personnel in his distrct.

It became apparent during the review conducted last fall that the role, organzation and re-equipment of the R.C.A.F. auxiliary required a complete re-examination and this re-examination is now being conducted on a priority basis. Members of the reserves are enthusiastic about the opportunities the new plan provides for realistic and meaningful training. For example, arrangements are being made to fly approximately 300 members of the reserves to Europe between late August and mid-October so that they can train alongside the members of the regular force on major field exercises.

While small groups of naval, land and air reserves have trained annually with the regular force in Canada, our increased air transport capability, coupled with the closer relationship being fostered between the reserves and regular force, now allows us to carry out this important training on a larger scale.

• (3:50 p.m.)

The cadet movement, comprising the sea, army and air cadet organizations, has increased in strength by 7 per cent during the year ended April 30 when we had a total of 93,135 cadets, made up of 10,190 sea cadets, 56,894 army cadets and 26,051 air cadets.

The continuing success and popularity of the cadet movement, reflected by this strength increase, is due in large part to the valuable assistance provided by our three civilian partners in this work—the Navy League of Canada, the Cadet Services of Canada Association, and the Air Cadet League of Canada.

An example of this co-operation is the recent agreement by these civilian partners to a common aim for the cadet movement which will permit increased regular force assistance to the cadets. Training will be broadened to give the cadets general familiarization with all environments: land, sea and air.

This summer approximately 17,000 cadets from all parts of Canada will attend various camps, courses and take part in exchange training with cadets of other countries. These will include the sea, army and air centennial camps at Kingston, Ontario and Farnham and St. Jean in Quebec, and a corps d'élite of some 200 sea, army and air cadets which will take part in activities at Expo and the national capital. We consider the department's contribution to the development of citizenship, leadership and physical fitness of Canadian youth in the cadet movement to be one of our most rewarding commitments.

Development activities for the services, now operating under a single development vote, will continue to be an important item. The management of these activities, as mentioned last year, by the development and associated research policy group under the chairmanship of the chief of technical services is proving to be an effective system. Periodic review of progress and a thorough examination of all aspects of new projects before they are initiated is providing a more efficient and less time consuming means of controlling the development program. It is planned to support a continuing development activity at an annual level of approximately $20 million.

This will include improvements to existing service equipments, studies leading to new concepts and systems, and participation in development projects with our allies.

In my presentation of the 1965-66 estimates I mentioned specifically the development of the ocean-going hydrofoil vessel and noted that, like most development projects, the cost had increased substantially over the original estimates. This project has been plagued with its share of problems, the most noteworthy of which was a fire on board the partially completed vessel in November of last year. A more recent problem was a failure in the power transmission system while under test at a subcontractor's plant. Despite these difficulties it is still intended to proceed with this development as the knowledge to be gained is important in a number of areas.

We are also continuing to study means of developing improved detection techniques in the field of anti-submarine warfare. The roles of Canada's forces stress a need for a variety of aircraft, particularly those with short take-off and landing characteristics. Support for the tilt-wing CL84 aircraft, being developed by Canadair Limited, is being provided by the Department of Industry. A new concept of a thrust augmentor wing is being studied, under Department of National Defence support, by De Havilland Aircraft of Canada Ltd. This concept will allow high performance aircraft to achieve a short take-off and landing capability. Participation in this project by the United States has been agreed to and it is expected that other allied countries may also take part. The field of communications is an area of major interest for all elements of our armed forces. There has always been a considerable level of development activity in

communication systems in Canada and we have now agreed to participate with our allies in two major projects in this field.

The Chairman: Order. I must advise the minister that the time allotted to him has expired.

Some hon. Members: Carry on.

The Chairman: Has the minister unanimous consent to continue?

Some hon. Members: Agreed.

Mr. Hellyer: I should like to thank the committee for its courtesy in allowing me to continue with my remarks.

Project "Mallard" is the development of a highly advanced communications system for ground forces in the field. It is being undertaken jointly by the United States, Canada and Australia. Under NATO auspices, Canada will participate in the development of a tactical satellite communications system.

It has been our objective to channel as much as possible of the development program to Canadian industry. The examples I have used indicate that we are having considerable success in meeting this objective. Many of the projects are emanating from industrial proposals and most of the current development program will be assigned to Canadian industrial contracts.

To be effective, armed forces must not only have well trained and highly motivated men and women but they must be equipped with modern equipment. The men and women in our Canadian armed forces are well trained and highly motivated, and they are getting modern equipment.

For the naval forces we completed late last year the mid-life conversion of the St. Laurent class ships to the helicopter-destroyer configuration. Restigouche class destroyers will begin conversion later this year. Tenders have been called for DDH 280 class helicopter-destroyers. The second Oberon class submarine, *Onondaga,* is being commissioned this week in England and a third will be commissioned in 1968.

The *Bonaventure,* our aircraft carrier, is completing mid-life refit and modernization at Lauzon, Quebec. She is expected to sail for Halifax in August and following work-ups will rejoin the fleet. The two operational support ships, now being built in Saint John, New Brunswick, will be delivered in 1969.

For the ground forces we have completely equipped our two mechanized brigades with armoured personnel carriers and we are expecting the first deliveries of 175 Lynx armoured command and reconnaissance vehicles early next year. The Lynx will be issued to fighting units in our four brigade groups.

The self-propelled 155 mm. howitzers now on order for our mechanized brigades are expected to come into service next year. The first shipments of a new 81 mm. medium mortar are due shortly and this weapon will come into service this year. A surveillance drone system for the artillery is being developed. This system is a joint British, German and Canadian development in Canada by Canadair Limited.

There is also a requirement for less sophisticated equipment such as trucks and jeeps, and these are being provided. An order for 800 jeeps was placed with Kaiser of Canada earlier this month.

The program of modernization must continue and we are considering the acquisition of a new heavy anti-tank weapon, a low altitude air defence weapon for the ground forces, oversnow vehicles and a general purpose wheeled armoured vehicle.

The aircraft re-equipment program includes the delivery next year of the last four C130 Hercules transport aircraft for our heavy air transport fleet, bringing the total to 23. The CF-5 tactical ground support aircraft will begin coming off the production line at Canadair this fall and we took delivery of the first of 15 Buffalo short take-off and landing —STOL—transport aircraft from De Havilland Aircraft of Canada last week.

To provide our field commanders and their staffs with the capability of travelling quickly to all parts of their commands, we are getting seven Falcon light jet transports and the first of these aircraft is now at North West Industries in Edmonton for instrumentation and interior fitment. There is a requirement for a light utility helicopter which will be used for transporting personnel and as a light logistic vehicle. We expect the first aircraft of this type to be in service by the end of this year.

• (4:00 p.m.)

To further increase our air transport capability we are also considering the future purchase of long-range jet transport aircraft to enhance further our mobility. In addition, we are continuing to monitor improvements in anti-submarine aircraft in case it becomes necessary to replace our current excellent aircraft in this role. In general, our forces are

obtaining a wide range of new modern equipment to enable them to carry out their assigned roles in as effective a manner as possible.

As forecast in the white paper there has been a consistent but modest increase in research funds. The Defence Research Board which is responsible for providing scientific advice to the minister and to the chief of defence staff also undertakes pure and applied research on behalf of the armed forces. The board has recently completed a comprehensive study of its organization structure and programs. As a result, changes are being made which will further strengthen its links with the armed forces in both defence research and development.

An example of this is a recent series of technical conferences between the Defence Research Board and the staff of mobile command which identified new problem areas where research and development are needed.

The launching of the highly successful Alouette I in September, 1962, marked Canada's entry into the field of space science and space technology. This remarkable achievement was followed in November, 1965, by the launching of the equally successful Alouette II. Both brought well deserved praise to the scientists of the Defence Research Board.

ISIS "A", the board's third satellite, is scheduled for launching next year.

In addition to this program of space research by means of these satellites, the board is engaged in joint studies with the United States on satellite communications for military purposes. Both the university grants program and the defence industrial research program continue as valuable adjuncts to the in-house research carried out in the establishments of the board.

There will be a modest increase in the funds for university grants. Co-operation with the research agencies of our NATO allies continues and it is proving an excellent medium for the exchange of defence scientific information in areas of mutual concern.

The defence estimates for 1967-68 are given in the traditional manner, by objectives and expenditures. In order to provide more meaningful information in the details, however, and to meet a long-standing request we are now grouping expenditures by function. For each of the major commands the expenses for personnel, operations and maintenance, as well as capital expenditures, are shown. This new breakdown of the estimates by commands is a significant step towards the goal of providing estimates information on a mission-oriented basis.

[Mr. Hellyer.]

This system will permit a better assessment of expenditures in terms of the main roles or missions performed by the Canadian Armed Forces and it will at the same time facilitate the introduction of financial management procedures recommended in the Glassco commission report.

In accordance with the government's program based on the Glassco commission recommendations for improved financial management in the public service, we have been developing a modern system of financial management and responsibility accounting. A pilot study is beginning in transport command this year. We expect to introduce similar systems throughout the department over the next three or four years. One of the by-products of this will be the capacity to present to this committee estimates, expenditure and performance data which will considerably assist this committee in effectively discharging its responsibilities for the examination of defence estimates.

I trust that members of the committee will find the analysis this year beneficial, although it is necessarily limited as the new financial systems are still in the course of development.

When the white paper was produced in 1964, I established as a financial objective estimates, commencing with the fiscal year 1965-66, of $1,550 million escalating at not more than 2 per cent a year. This was exclusive of credits that might be necessary from time to time to provide for actuarial adjustments to the pension account.

In actual performance, defence expenditures were 98.7 per cent in 1965-66 and 99.3 per cent in 1966-67 of these targets. The estimates for 1967-68 which you have before you are precisely on this target.

It has been possible in the first two years of the program to meet the over-all financial targets and in the third year, 1967-68, to present the estimates within this limitation.

I am also confident that the equipment programs that are now under way will result in expenditures in the full amount of the provision contained in the 1967-68 estimates for this purpose.

Capital expenditures, such as expenditures on construction of buildings and works, development and procurement of equipment, etc., were 17.3 per cent of actual expenditures in

1965-66, 15.9 per cent in 1966-67 and are estimated at 20.5 per cent in the 1967-68 estimates, excluding the statutory item for actuarial adjustments.

I do not propose to go over the detail at this time but I will, of course, be pleased later in this debate to provide detailed information in respect of any items in which hon. members are particularly interested.

This year, the net total estimates expenditure for the Department of National Defence is $1.688 billion. You will note, Mr. Chairman, that when these estimates are expressed in terms of percentage of gross national product, defence expenditure has dropped from 3.9 per cent in 1963-64 to an estimated 2.7 per cent this year.

To put these estimates into better financial perspective, with your permission, Mr. Chairman, I would like to table a chart showing what it would have cost to maintain the 1963-64 organization and activities at today's prices. This chart also shows what it would have cost to maintain the defence department as it is today if we still enjoyed 1963-64 price levels. May I be permitted to table the chart?

The Assistant Deputy Chairman: Order, please. I understand it is not customary to table such data in committee. Would it not be a good idea to add the figures as an appendix to *Hansard*?

Mr. Hellyer: It is a very short document. Perhaps I might read it into the record.

Mr. Churchill: Read it.

Mr. Hellyer: If I might have the indulgence of the committee, the chart I have before me is as follows:

Chart Comparing Relative Costs of Maintaining Department of National Defence in Fiscal Years
Shown below in millions of dollars

	1963/64	1964/65	1965/66	1966/67	1967/68
1963/64 expenditures inflated to current prices in each year	1683.5	1735.7	1809.8	1932.7	2016.8
Actual expenditures in each year	1683.5	1535.6	1548.4	1645.4	1688.0 (Estimate)
Expenditures in each year at 1963/64 prices	1683.5	1489.4	1440.4	1433.3	1409.0

To summarize briefly this chart, Mr. Chairman, if the department had continued as it was in 1963-64 without reorganization and without reducing marginal activities, the estimated requirement for 1967-68 would have been $328.8 million higher than is now being sought.

In terms of current purchasing power, the 1967-68 estimates, when compared with the actual expenditures in 1963-64, show a reduction of $279 million or 16.3 per cent. We expect to receive a dollar of value for every dollar we spend on defence.

Every request for expenditures is being carefully scrutinized to determine its validity and usefulness. In this regard, the associate minister and I are very grateful to the deputy minister, the chief of defence staff and their subordinates for the co-operation and understanding they have displayed in keeping defence estimates to a minimum.

I cannot conclude these remarks without making some mention of the contributions being made by the Canadian Armed Forces to the celebration of Canada's one hundredth anniversary. All components of the forces, both regular and reserve, are contributing to the centennial celebrations. Our major activity is, of course, the Canadian Armed Forces tattoo now playing to the record crowds at Expo '67.

Mr. Churchill: That deals with tradition. I thought you had wiped it out.

Mr. Hellyer: This exciting two-hour panorama of Canadian military history has toured the country from coast to coast playing to packed houses virtually everywhere.

Mr. Churchill: There is a lot in history and tradition, is there not?

Mr. Hellyer: Yes, of course. I am glad that the show was as well received in Winnipeg as in the rest of the country.

Standing ovations have become the rule rather than the exception when the show's finale is completed. The significant thing here is that the tattoo was completely written, produced and directed by Canadian servicemen and the entire cast is made up of serving officers and men.

Among other major centennial activities conducted by the department is the Canadian Armed Forces motorcycle display team,

which will give performances in 112 communities across Canada. Like the tattoo, this team demonstrates the professional discipline inherent in our forces.

Another major contributor is the Golden Centennaires aerobatic display team. This group of aviators are giving performances in 100 different Canadian locations. One measure of their success has been the numerous requests that have come from communities that for valid reasons regretfully could not be included in the tour schedule for the Centennaires.

• (4:10 p.m.)

A fourth centennial activity conducted by the Department of National Defence is the naval assemblies at Halifax this month and at Victoria and Vancouver next month. Approximately 28 foreign ships from at least 15 countries will take part in these naval assemblies on both coasts.

In addition to the specific activities I have mentioned, Canadian servicemen at home and abroad are playing important parts in local centennial projects. Particular mention should be made of the part being played by reserve formations in supporting their district celebrations.

All these activities, of course, put an additional strain on the department's resources, but it is important to note that during this period the Canadian Armed Forces are still able to perform their primary tasks and at the same time make a remarkable contribution to the centennial activities which, incidentally, they seem to be thoroughly enjoying. In my opinion all credit should be given to the officers and men of the forces who are participating in these programs, as well as to those who have planned them.

Mr. Lambert: Mr. Chairman, before I deal with the content, or lack of content, in the minister's statement I want to say I thoroughly agree with what he said in the latter portion of his remarks when he paid tribute to various armed forces activities in connection with the centennial celebrations—the Centennaires, the motorcycle display team, the military tattoo and other events which our armed forces are putting on. I have seen some of these displays and I agree with the minister that they are worthy of the highest commendation. With regard to the tattoo, my only comment is that I did not see one green uniform in it and that its excellence was therefore unimpaired.

Mr. Langlois (Chicoutimi): Ha, ha, ha.

[Mr. Hellyer.]

Mr. Lambert: The hon. member for Chicoutimi may not have seen it yet. I trust that at some time he will do so and see what it is like.

With regard to the content of the minister's statement, let me say that it was the type of statement which would in normal circumstances be made before the defence committee where one would have the opportunity of studying the great amount of detail it involves. There is no doubt the minister has covered extensively, if somewhat lightly, a great many aspects of defence, including both defence policy and some of the programming he has in mind this year. There are, of course, issues with which he has not dealt or with which he has dealt only superficially. This may be brought out in the course of questions later, although I must say the program of business we have before us does not give us much chance of going into these estimates as deeply as the committee would wish.

Notwithstanding the fact that we had an extended debate in February, March and April involving the affairs of the department, these estimates are very important inasmuch as they continue the program of the integration of command. Even though Bill No. C-243 has not yet been proclaimed, with the result that none of its provisions is operative at this time, there are some consequences which flow from the passage of that bill. It is not my intention this afternoon to revive the so-called unification debate but there are several questions which naturally flow from the desion made at that time.

In the early part of his presentation the minister, somewhat self-consciously, I thought, identified with a particular aspect of our defence role, namely, that of peace keeping. His attitude was, I believe, a defensive one. It was said during the unification debate—this is a view which is shared by many who are completely sincere in their belief—that there has been too much emphasis placed on the future peace keeping role of the Canadian Armed Forces. I will not repeat the remarks I made on December 7 following the minister's introduction of the bill. I thought at that time we were going too far for the good of our forces in committing ourselves to a peace keeping role. Peace keeping is not dependent on a decision by Canada alone. It involves a decision which is taken not even by the United Nations as such but by the members of the United Nations. I said in December, and I think I was right, that peace keeping did not have a high priority in the thinking of far too many members of the

United Nations. Today I would say they think even less of it in practical terms.

I doubt that the countries of the Middle East care a fig about peace keeping when it comes to practical matters. The Soviet union certainly does not, and it is one of the jokes of the century so far as France is concerned. They may pay some lip service to it, but that is all. We must regret the fact that the concept of a peace keeping role has suffered in reputation. I do not think India cares very much for it. As we know, India was warned in advance by Nasser that the U.A.R. would request a withdrawal of the United Nations peace keeping force, as was Yugoslavia. And they were very glad to get out. This is why Canada was placed in the invidious position in which she found herself. I realize this is not a United Nations debate, but I must say I think the decision to withdraw the force was highly precipitate and wrong in principle notwithstanding the fact that Israel's continued refusal to accept a peace keeping force on its side of the border had not contributed to improving the situation. But that is history now.

The question is: Is there a role for peace keeping forces? I hesitate to think there is in the foreseeable future. And I believe Canada holds the same opinion. I say this in the light of the reservations our spokesman made in the debate the other day with regard to the decision to continue the existence of the Cyprus force for another six months. Indeed, the Canadian representative finally said there must be an end to this situation because almost three years had gone by since we got ourselves into the Cyprus adventure. In that period there has been no fighting, it is true, but neither has there been any solution of the social and economic problems involved.

I agree with the minister when he says that the conflict in the Middle East did not come about as a result of the failure of the peace keeping force. That is true. It came about as a result of the failure of the countries concerned to solve the social and political problems which exist in the region.

• (4:20 p.m.)

I think one can say further that the presence of peace keeping forces in the Middle East and Cyprus is a soporific. It rather lets people forget the basic problem. There is sort of a feeling that if we keep quiet maybe the problem will go away. This seems to allow the nations concerned to dilly-dally or procrastinate and as a result fail to get down to the hard business of settling the problems. It may be that the pressure of fighting will perhaps force people to get down to the matter of really settling the problems. This, however, is one of the negative aspects of a very successful peace keeping force in that it allows the principals in the quarrel to be lulled into a frame of mind that the settlement of the basic problems need not be undertaken now because of the attitude that no one is fighting. I would not agree with the suggestion which might be made by some that I am arguing that we should let them fight to exhaustion and that this would settle their problems. I do not think so. This, however, is one of the negative aspects we have seen in respect of peace keeping and it is something we should keep in mind in respect of peace keeping in the future. I believe some of my colleagues will be speaking on this matter.

With regard to NATO the minister did give the indication that there would be a five-year program disclosed to the member nations in the fall. We would be interested in knowing what the changes by Canada will be which were hinted at in the minister's remarks. Will these changes be in the field of ships? I rather think so. It is conceivable there may be some change in the manpower content of the brigade in Europe. I am speculating because the minister merely hinted. If it is to be in the field of the brigade as a cohesive unit, one finds difficulty in understanding how one could reduce it as an effective fighting team.

The change could have something to do with the ultimate withdrawal of the air division. I rather expect, however, that it has more to do with ships because we are in trouble with our ships. Nothing the minister said this afternoon can gloss over the problems which exist in respect of manpower in the navy and the fact that some ships are and more may be, undermanned. For instance, where is the crew for the *Bonaventure* to come from? If the other ships are undermanned, where are these men to come from? Obviously they have been allocated to other duties in the interval. They are not merely standing by. I do not believe it can be done by the simple matter of resorting to mere recruits. We have not been getting too many recruits in the past year. The figures may have gone up temporarily. The minister mentioned increases in recruitment but a recruit is not an experienced serviceman. He is a long way from it.

We should like to know far more about the figures in respect of retirements. We should like to know how many men have given notice that they intend to retire. I should like to

have an explanation of what is happening in respect of subclauses 3 and 4 of clause 6 of Bill No. C-243. Although the act has not been proclaimed, I should like to know whether the provision for six months' notice is general throughout the services for every man who wishes to retire ahead of time. Is this being applied as a general rule? What will be the conditions of retirement when the act is proclaimed? What will be the conditions of retirement under clause 6(3)? Has this been settled?

I can assure the minister that there are many servicemen who are now anxious to find out what will happen under clause 6(3), because administratively means can be devised quite readily to stultify or negate the spirit of the statement made by the minister at the end of the unification debate when he modified his statement with regard to clause 6 and allowed the amendment to subclause 3.

We should like to have some figures with regard to the total present strength in the three branches inasmuch as they still exist since the act has not been proclaimed. What is the present strength as at June 1 in each of the three branches, the army, the navy and the air force, since they do exist? What is the rate of recruitment in each of those services? What is the rate of actual retirement in each of the services and how many notices of retirement are on file at the present time in each of the services?

In dealing with the details disclosed in the estimates I note aircraft acquisition. Has anything been decided with regard to replacement of the CF-104? How does this tie in with the forces' goal which the minister is going to announce to our NATO allies this autumn? What is to happen in respect of the CF-104? Is its role to be abandoned? If it is to be abandoned within the scope of the five-year period, now is the time to consider the replacement of this airplane because we know how long it took for the CF-5 to be decided upon, put into production, delivered and brought forward for squadron operation.

In view of the increase in cost of this aircraft, can the minister tell us how many aircraft we will have under the CF-5 program? We should also like to know how many tankers will have to be provided for refuelling purposes, because these aircraft have an extremely short range and are incapable of flying from this continent without some refuelling system. Will some of the Hercules aircraft have to be converted into tankers and, if so, how many? Otherwise the CF-5 force will be confined to Canada? Perhaps it is the intention to locate them all in Europe. We should have some indication at this time, not two or three years from now, in respect of the CF-5, when presumably it will be in squadron operation. The minister indicated to us that this year we are going to get four more 130-E's and that they are looking at follow-up aircraft of a long-range jet transport type. We should have more information in respect of that particular aspect.

• (4:30 p.m.)

Having regard to the transport squadron and the reconnaissance squadron, where are the personnel to be found? We are short of personnel, particularly pilots, and we were short of aircraft. We are now purchasing more aircraft and I should like the minister to indicate where he expects to find the necessary air crews. Are new people to be trained or is some conversion to take place?

I thought the minister's remarks about the reserves were rather touching. I was pleased to note that he did not use terms like "bone lean", "sharp" and "efficient" as he did in the past. We remember when the reserves were reorganized two years ago following the Suttyie report and the emasculation or disappearance of so many of our proud militia units. We were supposed to have 30,000 men in the militia ready to move into our secondary brigades and fulfil other commitments by filling out the flesh of our forces in case of an emergency. The truth of the matter is that there are not 30,000 effective men in the militia. Some of our militia units are run down and their morale is apathetic because of the uncertainty that exists in respect of the future of these wonderful units and of our armed forces. They are wondering now whether there is going to be another clean-out or cutback of militia units.

I trust that the director general of reserves will be successful with his latest plan. He is a fine soldier and merits something better than a task which might turn out to be hopeless. We have now observed a return to the former military districts which existed in the past. I suppose one might say that the more change we see on paper the more things remain the same.

The cadets were all enrolled prior to unification, but I have been talking to some naval cadets and Navy League cadets and I am wondering how many of them are going to remain under unification. These are all intangible things, but let me say to the minister that one of the best things we have in this country for our young people is the cadet

movement. These cadets are polite and they are a great source of recruitment for our forces. If as a result of actions to be taken, or actions that have been taken, the cadet movement falls to the ground, I think Canada as a whole will be the greatest loser.

In the few moments that remain at my disposal I should like to refer to another aspect of national defence policy which was discussed during the unification debate and during the debate on a supply motion. Hon. members will recall that I raised a question of privilege on the basis that the form of the estimates was not in accordance with the law. This is still the case because there are no specific estimates in respect of the army, the navy or the air force as such. The information given on a functional basis is interesting and informative but it is not in accordance with the law. While I do not intend to precipitate a lengthy row about the improper form of these estimates, I must say that they fail to disclose any specific information.

Let me point out that in the estimates there is no amount shown specifically for procurement of aircraft for the navy. There is an amount shown in respect of aircraft and engines for the whole force. That is all very well, but we have no specific information in this regard. These things are all lumped together. For example, the maritime command will cost us this year a total of $281,647,000, but lumped together are personnel, operations and maintenance. We do not know what the air component of the maritime command is going to cost. We have no idea how much it will cost for aircraft or other things for the mobile command. The way the estimates are before us there is no way of identifying specific costs such as the cost of training a sailor, an airman or a soldier. Sailors, airmen and soldiers are going to remain soldiers, airmen and sailors notwithstanding the fact they are going to be lumped together as servicemen. That is all I intend to say about the form of the estimates, although I admit the information provided is of interest and informative even though it does not meet the requirements of the law.

I trust that when the time comes the minister will provide us with a breakdown of vote number 15. This item includes $61 million for ships and I should like to know what ships are involved. It also provides $95 million for aircraft and engines and I should like to know what aircraft and what engines are involved. We also find an amount listed for electronic and communication equipment. Surely we should have a breakdown in respect of all of these items. We want to know what company will build the $95 million worth of aircraft and what will be the contribution to the defence forces. This is the kind of information we would like to obtain.

• (4:40 p.m.)

Because of the shortness of time and the fact that a number of my colleagues wish to speak on these estimates, I shall limit my remarks on the first item to what I have said up to now. I will have further questions on other items. On the whole this will be a very imperfect study of these estimates because the study of the estimates last year left many questions unresolved. We should have the opportunity to question the minister and the officers of the department on the estimates. The spending of the Department of National Defence, amounting to $1,688 million, forms such a large proportion of the total expenditures of the government that at all times these estimates should be subject to examination by committee.

I do not agree that the estimates of all departments should be examined by committee every year but certainly those of the Department of National Defence should be. There is far too much detail in these estimates to deal with them hurriedly. We will merely skim the surface. In fact, we will not even skim the surface this afternoon and tonight. The government will ask the house to approve these estimates on the basis of today's study. I do not think this is at all good enough.

I should like to remind the minister of one other matter before resuming my seat. I refer to his undertaking at the committee hearings that any rules and regulations made in connection with Bill No. C-243 would be referred to the committee on defence for examination. The minister will recall that undertaking. I trust he will be able to tell us this afternoon that his undertaking will be carried out and when this matter will be referred to the committee. I hope he will act a little faster than his colleague the Minister of Finance, who notwithstanding a number of promises made to me has failed to introduce a resolution dealing with regulations passed in connection with certain acts under his jurisdiction. These regulations should have been placed before us before now so that there might be an appropriate public examination in respect of them and comment by hon. members.

Mr. Winch: Mr. Chairman, in the past week we have heard two very important announcements by the Minister of National Defence.

Only last Tuesday we heard the earth-shaking pronouncement on the treaty governing the exploration and use of celestial bodies, and today we had the introduction of the estimates of the Department of National Defence. I feel I must put the two pronouncements together. Last Tuesday, as reported at page 1709 of *Hansard*, the minister had this to say:

> Mr. Speaker, I am pleased to be able to inform hon. members that it is the intention of Canada to ratify, as soon as possible, the treaty on principles governing activities of states in the exploration and use of outer space including the moon and other celestial bodies.

A little later the minister informed members of this house, and through the house he informed Canada, as follows:

> This treaty, three copies of which I am now tabling in English and in French, is intended to ensure that outer space, the moon and other celestial bodies will be explored and used only for peaceful purposes and that there can be no national appropriation of such bodies. Of particular significance in this respect are those provisions which state that parties to the treaty undertake not to place in orbit around the earth any body carrying nuclear weapons or any other weapons of mass destruction, instal such weapons in celestial bodies or station such weapons in outer space. The establishment of military bases, installations and fortifications, the testing of any type of weapons and the conduct of military manoeuvres on celestial bodies are also forbidden.

The minister then concluded this great statement which he made with such profundity and pontification, particularly in respect of the concluding sentence, with these words:

> It is because of this country's active role in the space field and in the international legal sphere, and because of the importance of the treaty for the development of the rule of law in outer space, that it would be particularly appropriate for Canada, by ratification, to be among the first countries that formally accept the principles which the treaty enshrines.

Is it not amazing, Mr. Chairman, that in this wonderful world in which we live man, the thinking creature, this week decided by agreement among most countries of the world that we will not allow the moon, Venus, Mars or any other planets or stars in outer space to be used for anything but peaceful purposes? There is to be no installation of armaments, nuclear weapons or even military bases on celestial bodies.

Today we heard the lengthy and interesting statement on military policy by the Minister of National Defence and a request that Canada increase its military expenditures. We have also had this profound pronouncement on peace in outer space. Why can we not have some indication from the minister, speaking on behalf of the government, in the very month when we have protected outer space about what we are doing to secure peace in the world? What is the situation on this little planet of ours called earth so far as peace is concerned, so far as weapons, military establishments and atomic weapons in our own country are concerned? War alliances are being strengthened and not weakened. What is the position in this world of ours, having solved the problem of outer space?

I wrote down very quickly eight areas of tension and unrest which have developed this month. They are: 1. Continued tension on the India-Pakistan borders. 2. Six months further maintenance of a peace keeping force in Cyprus. 3. The verging on civil war in Nigeria. 4. The acceleration of the war in Viet Nam. 5. A diplomatic war in the United Nations following Israeli victories in the hot war in the Middle East. 6. Indications that the U.S.S.R. will re-equip Arab forces with armaments and Israel will be denied armaments or replacements, particularly by France which sold Israel its military planes in the first place. 7. Israel, having been established by the United Nations and having won a military war brought about by the threat to its right to live as a nation, faces a threat of future war because of indecision and major power politics at the United Nations. 8. The Republic of China this week exploded a hydrogen bomb and is anticipated to be capable of a major missile system by 1970.

I just could not help but point out the situation that exists in our wonderful, beautiful little world, this planet called earth, where the great thinkers of the world have agreed to a treaty on outer space. When are we going to start thinking about peace on our own planet? When are we going to have treaties for peace among the nations of this world? When are we going to have disarmament, not new armament? When is this country, as well as others, going to reach the conclusion that it would be far better to spend a few billion dollars for peace and for aid to underdeveloped countries than to spend money to land a spacecraft on the moon? It seems to me that something is wrong in our thinking when the two major powers of the world spend $120 billion a year for arms while two thirds of the people of the world go to bed hungry. This is the principle that Canada has also followed.

• (4:50 p.m.)

In introducing his estimates the minister has presented us with a chart—I do not

blame him for doing so—in which past expenditures are related to inflation. By relating them to the increase in the gross national product it would appear that we are doing fine and spending less and less. Admittedly our defence expenditures for the next 12 months are down a fifth of 1 per cent compared with the expenditures of last year. However, that does not get us away from the fact that the Canadian taxpayers are being asked to pay for the increased military expenditures which have risen from $1,572,690,000 last year to $1,688,000,000 this year. We in this group at least were, if not anticipating, at least hoping there might be a reduction in the money required for military purposes in the next 12 months.

Personally I feel that this could have been brought about, but it has not come into being because the minister has not yet answered the question which was uppermost in the minds of the members of the committee on defence and, I think, in the minds of many other members of the house, this is, what is to be the future role of the Canadian Armed Forces? For what purpose are they being integrated, unified and trained? I gather from what the minister said a little while ago that no change whatsoever is being contemplated because he continues to emphasize the peace keeping role of the forces, with which I completely agree, but he also gave an indication that Canada is going to stay within NATO and NORAD although perhaps with a change in role. However, I think there was a definite indication that we are going to maintain our peace keeping role and perhaps extend it and we are going to continue our participation in NATO and NORAD.

It seems to me we are not looking ahead or paying attention to the circumstances that exist today. It might have been understandable that Canada should enter NATO when it was first formed because of the situation and the climate which existed at that time as well as the danger of a cold war escalating into a hot war. But surely 22 years later the situation, the climate and the attitudes in Europe have changed to a great extent. I have no hesitation whatsoever in saying that Canada, now that it has the opportunity, should not be negotiating for a new role in NATO but should be pulling out of NATO. I cannot for the life of me see why 22 years after the end of the last world war our Canadian forces must continue to remain on European soil. I cannot see what useful purpose is served or can be served in maintaining in Europe, at great cost to the Canadian taxpayers a brigade and four air divisions. Moreover, I keep in mind, if others do not, that in the two world wars during this century Canadian men and women have given of life and limb and the taxpayers of their money to play a part in opposing aggression and maintaining the principles of democracy.

But then we find that some 22 years later one of the main countries where our life's blood was shed to protect it from aggression and to restore and maintain democracy, tells Canada "Take your forces out of our country, we do not want them". That is what France told the Canadians who not only went to its assistance in two world wars but who stayed there for 22 years to protect it from possible aggression. Later I will want to know just what it cost Canada to be kicked out, what it cost to move our forces to another country. Taking into consideration the attitude of France with regard to NATO I wonder what we, some 22 years later and over 3,000 miles away, are doing maintaining our air force divisions and our brigade in NATO? I believe that negotiations should be started for a gradual withdrawal from European soil.

I want to say, as I have said before, that I believe Canada has a continuing and perhaps expanding role to play in anti-submarine warfare. The anti-submarine role is one phase of this operation with which I personally agree. However, when the minister answers questions put to him by the previous speaker I should like him to answer one or two questions for me. The minister is proud of the anti-submarine role of our navy whose highly equipped ships with their highly trained crews are stationed in Halifax. However, in the event of war I do not think the aggressor will give notice. I think he will simply move, if he dares to move, although I do not think any nuclear power would move today because its action might escalate eventually into a nuclear war and that would be the end of civilization in this world as we know it. Undoubtedly the aggressor would know the location of our installations and our ships. We carry out anti-submarine surveillance on a 24-hour basis, but if a submarine got through and planted mines in Halifax harbour, how many minesweepers would be there to protect us? I understand we do not have any. I cannot understand military thinking whereby plans are made for anti-submarine vessels to operate in the main away from home port without provision being made for minesweepers to ensure that our ships can get out. I

hope the minister will be able to clarify this matter.

What I said about NATO I believe to be also true about NORAD. I do not understand Canada's position with regard to NORAD. I do not see any reason for the maintenance of nuclear weapons on Canadian soil, nor do I see any reason for the heavy expenditure which we have to make year by year for the maintenance of two Bomarc stations for the defence of Canada. I think it is time that these Bomarcs were shipped back and our men put to more useful pursuits. It is my belief that in view of integration and the emphasis on a mobile command whereby men will be moved anywhere they are required wherever hell may break out, be it in Europe or in a peace keeping operation, it is time we pulled out of NATO and NORAD.

• (5:00 p.m.)

If this is not to be, then I certainly hope we will not have to be satisfied with the statement of the minister this afternoon. He said that a lot of thinking is now being done about the new role that Canada should play in NATO, that there is going to be a meeting of NATO members this autumn to discuss a changing role or new approach, and that as a result of this meeting some decisions will be reached in December. The way the minister put it, Mr. Chairman, it would appear that once again the Canadian people in general and members of the House of Commons in particular are going to be confronted with a *fait accompli* in relation to the decision reached by the government on our role in NATO and also in respect of NORAD inasmuch as I understand that agreement is coming up for possible renewal next year.

In view of this situation I have no hesitation in saying that the defence committee should be called together and taken into the confidence of the minister. The advice of the members of the committee should be sought and the committee should discuss, having been given the fullest possible information by the minister, our future role in Europe for the next five years if we are going to remain a member of NATO. I think that any *fait accompli* in the matter of decisions on NATO, NORAD or the purchase of equipment is undemocratic and places not only the members of the committee but all members of parliament in a false position. I hope that a great deal of thought will be given to this matter by the Minister of National Defence The purpose of the defence committee is not just to receive a report from the minister or from General Allard or the deputy chief of staff. Its purpose is also to consult and advise, and consultation cannot take place and advice cannot be given if the committee is confronted with a *fait accompli* as has been the experience in the past.

I am very sorry that these estimates were not referred to the committee for detailed study because it is only in committee that staff and experts can be called to give evidence, to be questioned, to argue back and forth and reason things out. This certainly cannot be done in the space of one day's discussion of the estimates in committee of supply.

Canada is a nation large in area but small in population. Yet it is a country of great influence. I had hoped that the Minister of National Defence would take the opportunity this year to give an indication that it is felt there is a need for the breaking up of alliances, for if one side does not do it the other never will. I had hoped the minister would indicate that it is felt there is a need for Canada to show that it believes in disarmament, that Canada is one country that believes it should not have atomic warheads on its soil, that Canada is one country that believes it should be reducing military expenditure, not increasing it, that Canada wants to give some leadership, small as it may be, in world affairs, that Canada believes in peace on earth as well as in celestial bodies and outer space, that Canada is one country which believes that it is wrong to supply military weapons and nuclear warheads.

I believe that the minister would have received world acclaim, or at least world attention, had be taken a different approach and made such a statement during the presentation of his estimates this afternoon.

In conclusion, Mr. Chairman, I repeat: Let the minister take this committee and the standing committee on defence into his and the government's confidence. I should like to tell the minister that we on this side of the house are just as good Canadians, just as loyal and interested in matters of defence and foreign policy as are those who sit to the right of Mr. Speaker. I say to the minister, cease to be an autocrat and become a democrat. If he does I can assure him that we will give him every consideration and co-operation.

Mr. Deachman: Mr. Chairman, in the last few weeks since the book of estimates was presented there have been a number of references to the very large increase in the estimates for this year. I have received letters on this subject from my constituents, as I think have other members of the house. In the last day or two 20 members of the Vancouver

board of trade visited Ottawa. In talking to them I found that one of the questions foremost in their minds was just why the federal government is spending about $750 million more this year than last year.

I turned to the estimates to find out where the main increase in the estimates was, and one of the departments which has a very major increase in its estimates is the Department of National Defence. When you examine the estimates of this department to find out where the increases have taken place, you find they are in the pay and allowances of the members of the armed forces in the amount of approximately $71 million, that civil salaries have increased by approximately $11 million, and that the pension and superannuation fund is up by about $61 million. If you add these amounts together, Mr. Chairman, assuming my arithmetic is correct you get a figure of $143 million. This figure exceeds by $28 million the actual increase in the spending of the Department of National Defence. This is an indication that had it not been for increases in civil and military pay and in pensions and superannuation—though these items have not held firm in other areas in Canada either—the expenditure of the Department of National Defence this year would indeed be down slightly from the amount of the estimates presented to us last year.

• (5:10 p.m.)

This fact should be taken into account when we look at what the defence department is spending because I think that one immediately leaps to the conclusion, when one sees an increase of $115 million in one item, that this represents a vast increase in Canada's military effort, in the purchase of equipment and in the extension of our armed forces. In fact, it largely represents adjustments in pay, civil allowances and superannuation.

I want to comment briefly on the rearrangement of the defence estimates which precipitated a storm a little while ago, particularly in the presentation under vote 15 which I will not discuss in detail. I shall merely refer hon. members to the form in which we now find the figures set out under maritime command, mobile command, the Canadian infantry brigade and so on. Hon. members will get some idea of the amounts of money which are being spent in these operational areas. I believe that to be able to look at the estimates in this way is a considerable improvement in their presentation. I think we should have more information before us in these estimates than we now have. I should like to see the form of breakdown that we have in these estimates extended until we have a good idea of the amounts involved, item by item, in the various operational components of national defence or of other branches of government.

For too long have we been presented with what is known as a list of standard objects in which we are told how much the whole department has spent on postage. While these curious figures may interest archaeologists at some future date when they are digging into our past they are of no relevance to us when we are examining the departments before us. Here we see a favourable trend. There is a movement toward the examination of functional components and the cost of those functional components. I recommend to the minister and to government that in future they give us more details so we may take a more comprehensible look at the estimates. If that were done perhaps not so many questions would be asked on the floor of the house. We should not have to extract from the minister information on the small items in which we have an interest. The hon. member for Edmonton West spoke of this in his remarks. He asked for specific details on various items which appear as lump sums in the estimates. I join with him in hoping that the book of estimates will in the future give in more detail information which would be of value to backbenchers so that they might obtain a broader comprehension of the operations of departments.

Any backbencher who sits and listens to discussion of estimates of a department finds himself removed, so to speak, from knowing about what is really going on. That feeling of being removed had in part been added to by the increase in the effective capacity of the committees to examine the estimates of departments. After having had one year of that we see that it is very exhausting for members of the House of Commons to examine in great detail the estimates of all departments. In fact, it is too exhausting for us to accomplish much very effectively. As a result we must constantly search in parliament for other ways in which backbenchers can exercise some oversight in regard to what government services do. Perhaps this is the most important function of any member of parliament. Members who sit on the back benches ought to have a good idea of what the departments of government are doing. They should understand what is being done and tell the

people they represent about it. We must constantly search for ways to improve the presentation of estimates. As back bench members, we must improve our capability to examine those estimates and to examine departmental officers and ministers when estimates are brought before us.

One of the most interesting matters that has arisen during this afternoon's debate has been the disclosure of figures in regard to recruiting in the armed forces. The figures show that all the apprehensions that hon. members had during the debate on unification about the concept of unification, that unification would entirely destroy the morale of the armed forces, were based or a wholly wrong or completely fallacious assumption. Nothing demonstrates this more clearly than the figures on recruiting which have been presented to the house. The figures tend to demonstrate that the debate on unification and the fact of unification tended, if anything, to increase the national interest in our armed forces and what they are doing. The public's attention was focused on our armed forces and our young men were induced to join them. We can really find no other explanation for the increase. It seems that the very opposite has happened to what hon. gentlemen on the opposition side said in the house and in the defence committee would happen with regard to recruiting and morale in the armed forces.

One way of looking at the matter somewhat differently is found in a column in the *Chronicle-Herald* of June 14, 1967, written by Mr. Ron MacDonald and headed, "Inside Province House." The column deals with certain figures in the recent provincial election of Nova Scotia. He says:

> Previous to the election there were many Tories who would take you aside and offer advice such as, "unification has all the navy wild. They're not going to support the Grits this time"; or "running Stanfield is a far different matter than having the federal fellas. The servicemen aren't mad at him."

Then he goes on to say:

> "Why," ask Conservatives, "should Stanfield be unpopular with servicemen coming here from Ontario, Manitoba, Alberta, Saskatchewan or British Columbia? And, those from the rest of the maritimes are bound to be with him."

Then he says:

> Tallying up returns for seven constituencies where there was a concentration of service personnel—Kings West, Dartmouth North, Halifax Chebucto, Annapolis West; Halifax Eastern Shore, Dartmouth South and Shelburne—there was hardly a poll which did not give a substantial majority to the Liberal candidate, regardless of whether that Liberal was supporting a cabinet minister or not.

[Mr. Deachman.]

Actually, the polls which produced the biggest proportionate Liberal majority was in Dartmouth North, where Gordon Hart won over Conservative Charles Clarke. Dartmouth North is a navy stronghold and, supposedly, the hotbed of reaction against a unified force idea.

Mr. Hart took the predominantly navy polls at Shannon Park and along Princess Margaret by a whopping 634 votes to 252. And in along Princess Margaret live a group of senior naval NCOs, who must be regarded as the effective leaders of the ordinary seamen.

In neighboring Dartmouth South, in polls with the majority of voters in the Lakefront apartments, many of whose tenants are junior naval officers, the vote for Liberal Eileen Stubbs was a healthy 114 votes, compared to Agriculture Minister Akerley's 56.

In Halifax Chebucto's Windsor Park, army barracks in the city's north end, Conservative James Vaughan, a winner in most polls, lost heavily to Liberal Peter Richards, who won 155 to 75 there. Mr. Vaughan said ruefully afterwards, though holding out some hope, "at least it was only two to one."

• (5:20 p.m.)

Dr. Duncan MacMillan took a 804 to 608 advantage in the Shearwater and Eastern Passage polls in Halifax Eastern Shore over Conservative Nelson Gaetz.

And in Welfare Minister James Harding's Shelburne seat, the Baccaro and Barrington polls voted for Liberal Harold Huskilson, 389 to 225. These polls are largely naval and votes which Mr. Harding wooed over the years.

Peter Nicholson won handily in Annapolis West and his increased majority was due, at least in part, to the fine showing he made in the polls where CFB Cornwallis personnel and the civilian base employees voted, despite Ottawa's sword of Damocles hanging over the base. Mr. Nicholson won the Cornwallis and Deep Brook polls 330 to 194.

In Kings West, with the sprawling vote of CFB Greenwood always the major concern of any candidate running there, Conservative Gordon Tidman won the seat by a scant 98 votes over Liberal Frank Bezanson.

How did Mr. Tidman fare in and around Greenwood?

Actually, the poll which produced the biggest proportionate Liberal majority was in Dartmouth North, where Gordon Hart won over Conservative Charles Clarke. Dartmouth North is a navy stronghold and, supposedly, the hotbed of reaction against a unified force idea.

The article goes on:

> All in all, the services—or at least that part of them easily pigeonholed—voted 3,870 to 2,322—Liberal.

The writer concludes:

> Whether or not the forces favoured integration, or if they voted according to party affiliation regardless of establishing who was running and for what, are questions for other analysis experts to figure out. I can't.

This is another indicator, and a strong one, that what hon. gentlemen opposite feared with regard to unification was wholly wrong even

with regard to the navy itself. Indeed, the navy went out at the first opportunity following the debate on unification and voted against the Conservative party and in favour of the Liberal party in sizeable proportions in the recent election in Nova Scotia.

There can be no other way to explain this than by saying that hon. gentlemen opposite were as wrong in relation to the navy specifically as they were about the total effect of unification upon military personnel in all the services. We can only judge, from what we have seen, that in cheering off Admiral Landymore naval personnel were cheering off the old system and cheering in unification. However astonishing this may seem, the facts and figures are clear. One can only suspect from what we have seen and from the correspondence we received during the unification debate that this, indeed, is the fact and that young Canadians were very proud of what was being done to update the Canadian armed services and make it one of the most modern and forward looking services in the world.

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

Mr. Deachman: Young men were happy to join that service at the very peak of the debate on unification and young people in the navy on the Atlantic coast, which hon. members opposite said was the trouble centre, were ready to support the imminent act of unification. The figures demonstrate that unification has been as successful as Expo, even if that success was unexpected.

[*Translation*]

Mr. Mongrain: Mr. Chairman, while considering the estimates of the Department of National Defence, I should like to make a few observations, meanwhile giving the minister the assurance that I have no intention of subjecting him again to the third degree he had to suffer when we were considering the unification of the armed forces.

I even think that the Minister of National Defence (Mr. Hellyer) is doing his job well, explaining fully his position, ensuring the department for which he is responsible, particularly the army, the most modern methods and demonstrating this in the unification which is already in process of being carried out.

I believe the savings he has announced, even though they may represent an increase in the over-all budget of national defence, nevertheless constitute a saving on what all this would have cost without the modern reforms he has brought about in his department.

I think that his army general staff is competent. I realized this myself when I was given the opportunity to visit a rather large number of military installations.

• (5:30 p.m.)

Mr. Chairman, in a spirit of co-operation and without the least intention of criticizing the minister's position, I should like to make a few remarks which force themselves on the conscience of all human beings who consider current world events and which must also at times have disturbed even the sleep of the minister. As a matter of fact, I am sure that even if he is the Minister of National Defence who must deal with war matters, peace matters must also concern him from time to time, especially when he is able to examine at leisure the arms race situation and what is called in certain circles, that escalation, and prompt him to ask himself whether those concerned with the future of humanity should not reconsider a little our policy regarding those expenditures.

This strikes me very much, however—and this strikes many more—in view of the comments we hear in all sorts of environments. In fact, we hear leaders of important segments of humanity tell us that at least just as much thought should be given to disarmament as to armaments, at least just as much to peace as to war.

So I am impressed by this budget of $1,688 million earmarked for war—which, of course, we call defence because it sounds better —whereas for health and welfare, we earmark —I know I said $1,688 million but I made a mistake, it was a slip of the tongue—$1,273,906,400 which represents an increase of $88,417,000 in round figures, whereas for defence, the increase is $115 million.

Mr. Chairman, there are many Canadians who wonder—and once again I say it in the most constructive frame of mind, without necessarily blaming the minister whose role it is to secure whatever is most up to date for the Department of National Defence, as long as the government of the country shall decide that we must have the best organization with the most modern equipment and techniques—whether it would not perhaps be appropriate to reconsider our policy somewhat and whether we would not be well advised to earmark for works of peace larger sums of money than we are earmarking for works of war.

I understand that Canada has sacred commitments through agreements with its allies, and I also understand that in troubled times such as we are living through, we can always claim that it is urgent to show our national solidarity to our allies. I understand that all these amounts we earmark for defence are a stimulus that may appear valuable for our economy, and I also understand that, to a certain extent, it is useful to our foreign trade, to the balance of our purchases from foreign countries. I understand that all kinds of good reasons can be brought forward to show that these amounts are not necessarily bad investments.

But, once again, there are so many Canadians who are wondering why we spend more billions of dollars to help kill, slaughter, destroy, spread hate in the world, because finally what is the meaning of all that, even if we claim that it is to bring about peace.

I wonder if there is not some urgency to sit down and revise our judgment.

And that would not surprise me at all, because the cabinet understands that point of view. In fact, I had the opportunity, as well as some of my colleagues here, to see the qualms of conscience of some of our ministers when the death penalty was maintained. As Christians their conscience was troubled to see that offenders were executed, in fact murdered. But not much is heard about their being troubled to hear that there are millions of people being killed, slaughtered, who will remain crippled all their lives, whose villages and houses are burned down, destroyed. And, once again, I repeat that there are all kinds of good reasons to excuse that. But nevertheless, I think it is a good thing to ask ourselves whether we could not play a better role in the world, by keeping this function of arbitrator which we had earned, by helping these people to have a better life, to be better fed, better educated, and to love one another instead of killing one another.

However, Mr. Chairman, notwithstanding our good will and our eagerness to live up to our commitments to our allies, we are compromising the image of Canada in the world. For instance, we are now held in suspicion in Viet Nam for all sorts of reasons. Why? Because these people noticed that while we purport to be working for peace, we are selling arms to those who wage war in Viet Nam. Thus we neutralize the influence we could have on those people who are at war at the present time and who would like nothing better than to have an arbitrator who might help them find a solution to that conflict.

We have noticed recently also that during the troubles in the Middle East, Canada at one time incurred the ill-will of the Egyptians and perhaps, but indirectly, of Israel. It may be that those interventions we are making here and there, even if we go about it quietly, are destroying the role that Canada could play in the world, a peaceful role, that of an arbitrator, a negotiator, to bring about peace. I do not think that we can wage war vigorously while claiming that we want to act as an arbitrator.

One might object that we must prepare to defend ourselves, that our territory could be attacked. I quite agree that a minimum should probably be kept here in case, naturally, we should some day have similar problems. But I wonder, as many other Canadians do, if any country in the world will or would attack us here if we concentrate on playing a peaceful role rather than an aggressive role in the world.

Mr. Chairman, we still have so many unemployed in Canada, so many poor, so many old people, disabled, who receive unrealistic pensions in view of the cost of living, and the cost of education is still so high that too many Canadians cannot afford it, that I wonder if we could not considerably reduce the amounts provided for the defence of Canada or that of distant countries and spend them instead on works of peace which would enrich Canada. Why could they not, for instance, be spent even more to feed the two thirds of humanity which are now dying from hunger and have no ears for words of peace.

I wonder, Mr. Chairman, if Canadians, aware that our deficit this year will range between $740 and $750 million, do not think that we should try to slow down somewhat this upward trend in defence expenditures and reduce the burden which Canadians must bear at a time when the cost of living is higher than ever before.

Mr. Chairman, I repeat that many people who want peace are surprised to see that our defence budget amounts to $1,688 million, while our peace effort, that is the estimates of the Department of National Health and Welfare represents only $1,273 million.

I wonder whether that is in accordance with the appeals made by the great leaders of the world today, His Holiness the Pope, U Thant and others, who warn us that we are on the brink of a nuclear war which threatens to destroy the human race. I wonder also whether Canada is not the very country that should take the lead in disarmament because

it is the one least threatened by war and, in view of its history, orientation and national philosophy, the one best suited to act as arbitrator, negotiator and agent of peace rather than of war.

Again, I ask the question in a constructive spirit. The minister should not take it as criticism of his administration, which I think is excellent so long as he wants to have a modern army and prepare us for defence or war as intensively as he is doing now.

• (5:40 p.m.)

I wonder, Mr. Chairman, and I repeat this intentionally, whether it would be preferable for us to direct our international policy towards a specialization in arbitration, and in order to obtain or to deserve this role, it would be much better for us to reduce our efforts of our expenditures and mind our business a little more closely. Some may say: Am I my brother's keeper? Well, our business would certainly be served more adequately if we had deserved to be acknowledged, by all belligerent countries, as an absolutely free arbitrator, able to propose peace formulas acceptable to all.

I think that this would probably start among other nations a kind of emulation for peace, at a time when we are threatened by a dreadful war of escalation. I believe that this could help to bar this militarist complex which is so hard to eliminate in the world because the old axiom has been credited too often: If you want peace, prepare for war. And, we are getting ready for war so well that it may burst out at any moment.

Mr. Chairman, I would like to repeat to the minister in the most constructive fashion that the purpose of my comments is not to criticize his administration. I believe that he is doing a good job, so long as he is convinced that the general policy of Canada must follow this pattern, but I submit that he should point out to his colleagues that it might be advisable to answer the call of the great leaders I mentioned before, and to prove to all countries in the world, in a very concrete and radical manner, that Canada wants to play a role of peace, and not war, in the world.

I also believe, Mr. Chairman, that when we are faced by the threat of nuclear war, which brings confirmed Apocalyptic visions to our minds, because television shows us once in a while pictures of crowds being burned by napalm bombs or villages being destroyed by high accuracy weapons, with power of destruction unimagined until now, I say that we must cry out in pressing warning and heed it, but not with the mentality of the partisan, set on defending his own administration or condemning his neighbour's. I say that we have to consider this, Mr. Chairman, in the light of our duty towards mankind, as dictated to us by our conscience as men and as Christians.

It is true that we are our brothers' keepers, but not in the sense that we must help to kill them. We know that if two thirds of mankind are now in the throes of such upheavals and conflicts, it is mainly because they are underfed and under-gifted countries, which are denied that reasonable minimum of affluence that we, ourselves, enjoy. We would probably be much more welcome if we helped them still more generously to acquire that reasonable minimum of affluence. At least, they would learn to like us, to trust us, to place their confidence in us, when they have troubles with their neighbours.

I see few countries, Mr. Chairman, in a better position than Canada to assume that role for peace in the world.

I make those remarks to the hon. minister in the spirit in which I presented them to him. I would not be surprised if the minister—it must happen to him at times—were sometime to examine his conscience, calmly, at home, the Holy Ghost might prompt him to discuss the matter with his colleagues. In a few years, the cabinet might lead us toward the role of pacifier, mediator, negotiator, rather than that of the aggressor which we play indirectly at the cost of losing the trust of one third of the peoples of the world.

[*English*]

Mr. Churchill: Mr. Chairman, just a few days ago during private members' hour the hon. member for St. John's East praised executive assistants and said how important they were to the operations of the House of Commons. He said they could be and are helpful not only to the ministers to whose offices they are attached but also to members of parliament. The idea of executive assistants being helpful to members of parliament generally took me by surprise. As a result I got in touch with an executive assistant attached to the Department of National Defence. His name is well known in some circles. I asked him to give me some ideas for the debate today on these estimates. He very promptly replied and provided me with a one-page speech which would not take two minutes to deliver. I did not think that by using that speech I would really be doing justice to the Minister of National Defence

who I am sure expects members of the opposition to pay more attention to the estimates of his department. I tried reading it out loud to see how it would sound, but the effusive complimentary adjectives choked in my throat. So I had to lay it aside and it is with regret that I cannot make use of the help of that executive assistant who is perhaps of greater help to the minister, or perhaps the minister may think he is, but I sometimes wonder.

On this occasion I will have to rely on my own thoughts and phraseology, which are of course at a lower level, in an attempt to deal with the subject matter before us. I always welcome the opportunity of dealing with the estimates of the Department of National Defence. The minister has told me many times that my knowledge of military matters is primitive, but I am trying to learn as the years go by. Consequently I pay very close attention to what the minister says and to the policies he enunciates.

Today the minister proved a point we have been making over the last two or three years. We have been saying that the policy of national defence has been altered and changed to a very considerable degree and that the main emphasis in the reorganization the minister has undertaken has been on the provision of a force for peace keeping operations. The minister made a statement outside the house denying this and said it is not Canada's policy to produce a giant peace keeping force. The minister asks why we are buying heavy equipment if our whole purpose is to build a peace keeping force. We have never said that is the sole purpose but that the main intent of the government has been to provide a peace keeping force.

The minister proved our point today by starting off immediately to deal with our peace keeping role in the United Nations rather than with our military forces in anti-submarine activities or our activities under NATO or NORAD. That is exactly what we have been suggesting, that what is uppermost in the minister's mind is peace keeping for the United Nations. The construction of his new force is designed for that purpose.

The minister told us that things have changed. Sometimes I like to look back and read some of his speeches, although I am getting a little tired of them. His major document is the white paper and he mentioned it two or three times today somewhat casually during his speech. I knew he would, but that white paper was produced in 1964 and it is high time it was brought up to date and modernized. Nevertheless, it is his basic document. The second document to which he most often refers is the speech he made on December 7 which was widely circulated at the expense of the taxpayer.

In that speech of December 7 the minister said, as reported in *Hansard* at page 10831:

> The pattern of warfare in which armies fought armies, navies fought navies, and air forces fought air forces is not likely to be repeated.

Only within the last few days we have been reading and listening to accounts of armies fighting armies in Egypt, in Jordan and on the border between Syria and Israel. It is only within the last few days that we read and heard about air forces fighting. It was in April of this year that the Israeli air force claimed to have downed five Syrian planes in combat. It is only recently that we heard about the destruction of Egyptian aircraft in the air and on the ground by the Israeli air force. So the pattern of warfare does not seem to have changed to fit the minister's idea of what modern warfare should be.

The conflict in Viet Nam has been going on now for several years and there has been some activity in the air. The ground forces seem to me to be fighting as ground forces have always fought since the beginning of time. There have been no recent naval engagements. Only two days ago there was a conflict in Aden with infantrymen fighting infantrymen, and rather heavy casualties were suffered.

• (5:50 p.m.)

The minister tells us that the pattern of warfare has changed and therefore he has carried out this great reorganization. I have wondered for a number of years what was behind all this, why it was undertaken. I refer to our foreign policy and to the Prime Minister's idea of what should be done with Canada's defence forces. As the minister in his opening remarks dealt with foreign policy it is quite competent for me to discuss foreign policy in a debate on defence matters. The white paper on defence clearly states on page 5.

> The objectives of Canadian defence policy, which cannot be dissociated from foreign policy, are to preserve the peace by supporting collective defence measures to deter military aggression; to support Canadian foreign policy including that arising out of our participation in international organizations, and to provide for the protection and surveillance of our territory, our air space and our coastal waters.

One sees there where the minister places the defence of Canada. It is at the bottom of the list. On page 6 of the white paper the minister says:

—there have developed four parallel methods by which the objectives of Canadian defence policy have been pursued. They are:

(a) Collective measures for maintenance of peace and security as embodied in the charter of the United Nations, including the search for balanced and controlled disarmament—

Method (b) has to do with NATO, (c) has to do with NORAD, and (d) with the security and protection of Canada. So it is not unusual that we on this side of the house and the public generally have reached the conclusion that Canada's foreign policy and her defence policy are designed jointly to provide peace keeping forces for the United Nations and the reorganization of our forces has been carried out with that purpose in mind.

It so happens that the collapse of the United Nations emergency force in Egypt has brought down this policy just like a house of cards. It now has to be re-examined. I hope the Secretary of State for External Affairs will be here shortly to examine this matter co-operatively with us in the House of Commons. Perhaps the Prime Minister will revise his opinion with regard to the activities of peace keeping forces. Then the Minister of National Defence will carry out the orders that will be given to him by his superiors.

In my opinion the whole trouble stems from a misconception of what should be Canada's defence policy. I believe Canada's defence policy should be primarily the defence of Canadian territory and Canadian waters. Second, it should be linked to the alliances that we have with the major powers such as we have in NATO, and with the alliance we have with the United States to protect the North American continent. I believe these activities take precedence over our far-flung efforts under the United Nations.

I am not decrying the value of United Nations efforts to promote peace, to maintain peace, to restrict the operations of nations which are about to engage in war and to restrain them when they have engaged in conflict. I am not objecting to that at all. But to my mind this is a subsidiary effort in so far as Canada is concerned. We should not make this the prime objective of our defence efforts.

I propose to indicate the evidence that has been produced and is being developed to show that it is now generally accepted that the major reorganization and alteration of Canada's defence forces was designed for the purpose of promoting United Nations peace keeping efforts. The disaster that has overfallen that peace keeping effort on the borders between Egypt and Israel should now bring about a reappraisal of Canada's defence policy and foreign policy.

The minister cannot effectively deny that public opinion generally considers that this has been the purpose of the efforts of the present government. It goes beyond that. It reaches into the field of establishing neutrality for Canada. I will give the evidence of that shortly. Foreign observers in Canada have reached the conclusion that Canada's foreign and defence policy is now aimed at (1) emphasizing peace keeping operations, and (2) a position of neutrality for Canada. It is high time parliament had a second look at this policy and passed an opinion on what the government is doing. It is high time the Canadian people were fully informed as to what this government is aiming at. It is high time that in our relations with our closest neighbour and strongest ally, the United States, we made it abundantly clear that we are not adopting a policy of neutrality, that there will be no danger to the United States from an aggressor coming in by the back door through an unprotected Canada.

With those opening remarks, Mr. Chairman, I now call it six o'clock. I will present to the committee at eight o'clock some further thoughts on this matter.

The Chairman: Order. 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.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It being six o'clock it is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be considered at the time of adjournment this evening are the following:

[*Translation*]

The hon. member for Lotbinière—Canadian National Railways—Elimination of stops at certain points in Quebec.

[*English*]

The hon. member for Prince Edward-Lennox (Mr. Alkenbrack), Television—Napanee, Ont.;

the hon. member for Kootenay West (Mr. Herridge), Agriculture—consideration by dominion-provincial conference of expropriation principles.

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 (papers), private bills, public bills.

TRANSPORTATION

CONTRACT FOR TAXI SERVICE, OTTAWA STATION

Mr. Ralph Cowan (York-Humber) moved:

That an order of the house do issue for a copy of any contract entered into concerning taxi service to and from the Ottawa railway station, since January 1, 1966.

• (6:00 p.m.)

He said: Mr. Speaker, I rise this afternoon to speak on the motion for the production of a copy of the contract entered into between the Ottawa railway station and the monopoly taxi concession which has been granted from that point to the city of Ottawa. I moved this motion in the House of Commons in the ordinary way some time ago and on June 7, as reported in *Hansard*, page 1253, secured this answer from the Minister of Transport (Mr. Pickersgill):

There is no such contract in the possession of the government. Therefore I would hope the hon. member would be willing to drop the motion.

Such an answer begs the question. I simply ask for a copy of any contract entered into concerning taxi service to and from the Ottawa railway station, since January 1, 1966. I did not expect that the government would have the contract in its possession, but a copy of the contract could surely be secured from the Canadian National Railways, which is a crown corporation, if they do not want to call themselves a branch of the government. We were told the following, as recorded on page 532 of the 1964 report of the committee on railways, canals and telegraph lines, by Mr. MacDougall, the solicitor general of the C.N.R., when he was speaking about the Ottawa terminal railway bill:

The Canadian National Railway will be half owner of the Ottawa Terminal Railway Company, and it will be open to parliament to inquire through the Canadian National Railway about anything respecting the terminal.

I inquired about the possibility of securing a copy of the contract and I directed my inquiry to the Minister of Transport.

[Mr. Speaker.]

I have already spoken on the question of the monopoly contracts which are granted from time to time either by the government or by some department of the government or crown corporation, and this is done by a political party which makes a great show of being in favour of free competition and of letting the best man secure the best possible price in open competition. We say we are against monopolies, we are against restraint of trade and against combines. We make the finest speeches along that line of any political party in Canada. Unfortunately I cannot hear the speeches because of the noise made by the actions that are carried out by various departments of the government or by crown corporations.

As I mentioned before, on March 27 the Minister of Transport issued a press release in which it was stated that the Department of Transport was giving Canadian Pacific Airlines authority to fly more aircraft in Canada during Expo. In that press release, issued under the authority of the Minister of Transport, there is a reference I should like to quote. It reads as follows:

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.

If we are going to praise the fact that there was wide public satisfaction as a result of the availability of choice between two air carriers, why do we allow any branch of the government or crown corporation to grant a monopoly which automatically stops any choice between two or more services? In the Ottawa *Journal* of March 28, the day after the press release of the Department of Transport was issued, there appeared an editorial headed "Freer Enterprise Flight". I will quote the final paragraph of this editorial:

Mr. Pickersgill put it well when he said the main advantage of two air lines was that competition made them both more responsive to a public which felt that a monopoly always was unresponsive. There's nothing so helpful to good service as a choice in air lines, railways or bootblacks and nothing so depressing to free enterprise as a government attitude that monopolies are simplest and best.

I draw this to the attention of the house for the simple reason that I do not believe these

monopolies should be allowed to exist. When speaking on the estimates of the Department of Transport on May 26 I referred to this situation and described the conditions as I found them at the Ottawa station.

I believe sincerely that the Minister of Transport is inclined to agree with my contention because I was present in this house on May 29 when he was speaking on his estimates. As reported on pages 708 and 709 of *Hansard*, he listed the great problems which face the Department of Transport, and there are great problems facing that department. I think it must be the heaviest portfolio in the entire cabinet. I cannot think of any other department that ranks with it for the magnitude and number of problems which the minister must be considering 24 hours a day.

Mr. Pickersgill: I do not work 24 hours a day. I am no Donald Fleming.

Mr. Cowan: Mr. Speaker, I would not be supporting the hon. gentleman if he were a second Donald Fleming, and he knows it. In listing the problems before him the minister stated:

...as well as the question of better ground transportation arrangements to and from major metropolitan airports—

It is quite evident that this problem is on his mind. I do believe it should be solved immediately. We should not have to wait for some report from the Economic Council of Canada to tell us what is self-evident to anyone.

I ask this question about the Ottawa railway station in particular because in 1964 and 1965 the Ottawa railway terminal bill was referred to the committee on railways, canals and telegraph lines. In that bill there was a clause which was going to give the new owners of the Ottawa terminal the right to create taxi companies of their own and to have a monopoly. I protested against that and so did several members of the New Democratic Party, among them, if I remember correctly, the hon. member for Timiskaming (Mr. Peters) and Mr. Fisher, the former member for Port Arthur.

On December 3, 1964, the hon. member for Quebec South (Mr. Cantin), who was the parliamentary secretary to the Minister of Transport at that time, came to the meeting of the committee and what he said was reported in the Ottawa *Journal* of December 3 as follows:

Quebec South Liberal Jean-Charles Cantin earlier proposed striking out a clause that would have permitted the railways to operate bus and cab passenger service from the terminal.

Taxi Service at Ottawa Railway Station

I should like to read from pages 561 and 562 of the proceedings of the committee.

Mr. Cantin: ...I move that all this paragraph be deleted and that the following be substituted therefor:

Establish and operate for hire in and about the city of Ottawa a service for the conveyance and transfer of goods by means of trucks, or other highway vehicles, or other means of conveyance and acquire, hold, guarantee, pledge and dispose of shares in any company having for one of its objects the establishment or operation of such a service.

Mr. Cowan: I will second it.

Mr. Rock: You are taking the passengers out; is that it?

Mr. Cantin: Yes.

The Chairman: Mr. Cantin, seconded by Mr. Cowan, moves, that subsection "G" be replaced by the following:—

Exactly what I have read to the house. I wish to point out that the cabinet admitted its fault in introducing a bill which provided an opportunity for the establishment of an exclusive taxi service from the Ottawa terminal railway station. It may be interesting for those who were not in the house in 1964 to learn that this bill was never brought to a vote. The cabinet dropped it and it died in the mists of time largely because of the activities of the hon. member for Hull, the late Alexis Caron who was a friend of mine, a man whose death last August I greatly regretted. I am happy that his son is a member of the house now as I believe he will contribute as much as his father did, and his father contributed a great deal for the good of the country as a whole and for the riding of Hull in particular.

Some hon. Members: Hear, hear.

Mr. Cowan: When the hon. member for Quebec South introduced his amendment the following question was put to him:

Mr. Peters: Could I ask why the governmment is recommending this?

Mr. Cantin: We have had representations from the city of Ottawa.

Mr. Peters: Can you explain what it means?

• (6:10 p.m.)

Then there is a reply from Mr. Macdougall, who was representing Canadian National Railways on the Ottawa Terminal Company bill. Mr. Macdougall said:

Mr. Chairman, perhaps I could say a word on Mr. Cantin's amendment. The bill as drafted before you is in the same general form that has been used in bills of this kind before, notably the Toronto Terminal Company bill, to provide the power, but the Ottawa Transportation Commission made representations to the companies and to the government, because they have an exclusive franchise for handling passengers in and about the city of

Ottawa which was given to them by parliament. These powers would transgress upon the exclusive franchise of the Ottawa Transportation Commission. We have no desire to do that, or to get in any conflict of that kind. We quite gladly agree that the reference to passengers should be removed so that there could not be any idea that there was a conflict. That is the purpose of the amendment.

Mr. Macdougall referred to the exclusive right of the Ottawa Transportation Commission to carry passengers to and from the Ottawa station. The bill died in the mists of time in the halls of this building, and certainly did not come back to the floor of the House of Commons.

What do we find today, Mr. Speaker? The new Ottawa station is evidently being administered jointly by the C.P.R. and the C.N.R. We have an exclusive taxi franchise granted to one company in the city of Ottawa. We have had numerous reports from members of the house about having to wait for taxi service from the station whenever there is a big holiday crowd or week end crowd returning to the city.

The Ottawa *Journal* for March 16 of this year referred to the situation in an editorial entitled "Taxis At The Station". The editorial went on to say:

The Ottawa Police Commission...is aware of a taxi shortage, particularly at the new Union Station.

But 50—or even 100—extra cabs spread over the taxi companies of the city will not be the answer to the problem at the station where the taxi franchise is held by one company...

There have been good reasons for complaints...

But some new arrangements are called for to end the frustrating experience so many have had of waiting 30 minutes before a taxi was available.

I can quote to you, Mr. Speaker, fine-sounding statements made by members of the Liberal party to the effect that they believe in free competition, that they are against restraint of trade, that they are against monopolies. I have in my hand *Hansard* for December 27, 1951. As reported at page 2400 hon. Mr. Croll, the then hon. member for Spadina, now a distinguished member of the other house, speaking about the legislation regarding resale price maintenance, said:

I welcome this legislation because it is in the best Liberal tradition. Historically and traditionally we have been opposed to trusts, cartels and combines.

You could not make a better speech, Mr. Speaker, on behalf of the Liberal party declaring how it supports free enterprise than that made by Hon. David Croll. As I said before, I can hardly hear the words for the actions of departments of government or crown corporations.

[Mr. Cowan.]

The other day I had occasion to refer to the comments of Hon. Lionel Chevrier as they are reported at page 2441 of *Hansard* for December 28, 1951, when he was a member of the cabinet and was fulsome in praise of competition and the benefits that it would bring to the people of Canada as a whole. Hon. Lionel Chevrier had this to say in pointing out how the Liberal government was going to smash the maintenance of prices:

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."

I can only make the comment, Mr. Speaker, that there can be very little competition among taxi companies when only one company is granted the right to run a taxi service to and from a station or airport. Then Mr. Chevrier went on to point out that there had been some criticism of the report on the ground that the committee did not obtain sufficient factual evidence. He was referring to the report of the committee which conducted the resale price maintenance investigation. However, Mr. Chevrier said that he did not pay much attention to that because he felt that the committee had secured all the factual evidence that it required.

Last Friday in this house the Registrar General Mr. Turner also made quite a few statements about the benefits of competition and how his new department was going to smash monopolies. One of his more interesting comments is to be found at page 1608 of *Hansard* and reads as follows:

If I were to suggest something which perhaps is un-Canadian, I might say I think we should have facts before we have policy.

This, of course, is in contradiction of Mr. Chevrier's statement in 1951 that they did not need to have any more facts at that time; they decided they had all the information they required. I congratulate the Registrar General on being un-Canadian, as he says he might be in getting facts before policy is set down by his department.

I might say, Mr. Speaker, that I enjoyed listening to the remarks of the Registrar General last Friday because he speaks well. I only wish that the cabinet meant what he says as much as the Registrar General says it does. I should like to put on record some

extracts from his speech of last Friday. He went on to say:

On the supply side the whole field of competition must be looked into...It relates also, on the supply side, to the methods which would enhance the validity of the consumer's choice.

What choice is there, Mr. Speaker, when you have a monopoly situation? He went on:

—so that there are competitive forces at play—

That is a good phrase too.

Prices depend on competitive forces. We hope to ensure that the forces are truly competitive.

What competition is there in view of these airport franchises at Dorval, Malton, Halifax, Vancouver and Winnipeg?

Then, really getting down to the facts of the matter, the Registrar General had this to say, and in this respect I do not believe he was speaking for the cabinet because their actions contradict this statement:

We do not intend to tell the worker where to work—

Yet we passed the railway operations act last September which told the strikers where they had to work.

—and we do not intend to tell the consumer what to buy. We believe in a free market economy. I feel that we should release the competitive forces. This means we must attack monopolies.

I do not believe, Mr. Speaker, that anybody has ever heard finer and louder words, certainly more fulsome words, than those uttered by speakers for the Liberal party on this subject. Yet what goes on? We grant monopolies here and we grant monopolies there. I only ask that the taxi companies of Ottawa, who would like to get in on the lucrative trade out of the Ottawa station, be allowed to see a copy of the contract which exists between the company—I do not know how to refer to it now because the company was not incorporated as a separate company as the bill died. This station must now be run cooperatively by the C.N.R. and the C.P.R. In any event, I contend they should be allowed to see the contract that exists in connection with exclusive taxi service from the Ottawa railway station to the city of Ottawa.

I believe that if this contract were produced it would open up the entire field of monopolistic practise in all airports in Canada. As a Liberal I am very sorry to see the cabinet indulging in monopolistic practice and, what is worse, being prepared to defend their action while placing value on competition to keep down prices and on the free play of the market to make it possible for people to get 100 cents on the dollar.

Taxi Service at Ottawa Railway Station

Again, Mr. Speaker, I ask that we be given a copy of the contract with the single taxi service company that is now operating into and out of the Ottawa station to the city of Ottawa.

• (6:20 p.m.)

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the hon. member for York-Humber (Mr. Cowan) has been riding what I think might be called one of his two or three favourite hobbyhorses. Once or twice he dealt with the motion incidentally during his remarks. It would be unwise for me to emulate him. I should stick to the point at issue in the motion, though perhaps I have been a little infected by the spirit of his speech and by that enthusiasm with which no one in the house can compete, no matter how hard he tries.

I have only two words to say about the service itself. I do not think I have ever taken a taxi from the new Ottawa station so I cannot speak from personal experience. Perhaps, though, I might quote my hon. and learned friend—he is not learned in the technical sense but in the proper sense—from Lincoln. The service, I am told by those who use it or try to use it, is lousy. If that is a parliamentary word, I apply it to the service.

The difficulty, as I understand it, is that so many people want to take taxis to and from other places in Ottawa that it is easier for the taxi companies to operate between those places rather than working out of the station. It has been argued—I do not know whether this is true—that if somebody were not paid to have a few taxis at the station there might be no taxis at the station at all. That is the only possible defence, and I'm not making it.

It is not my business to tell the railway companies how to run the railways. This is not a responsibility of the government. If the hon. gentleman were asking for a contract between the Department of Transport and any of these various companies that have contracts with a certain exclusivity to them —that is a better word; it will give the hon. member a chance to make another speech.

Mr. Cowan: It is still lousy.

Mr. Pickersgill: Had the hon. gentleman asked for any such contracts, I should have complied at once without any hesitation. From the days when Canadian National Railways was first established to the present, and in this context I refer to the late Mr. Meighen, we have taken the view that to enable the national railway to compete—and

I emphasize the two words of the infinitive "to compete"—we have never—and this has never been breached as the hon. and learned member for Carleton who is now listening to me and who had to make this speech when he was on this side of the house on at least one occasion will bear out—attempted to assert that parliament had the right to compel the Canadian National to produce any document that we had not the right to compel the Canadian Pacific to produce. That is the simplest way of putting it.

It is in the public interest that any statutory provision or any other provision that requires the Canadian Pacific Railway to produce any details of its operation shall also require the Canadian National to produce such details. But we should not impair the capacity of the Canadian National Railways to compete with the Canadian Pacific by exposing their method of doing business beyond the degree to which we are prepared to expose the Canadian Pacific. I hope that is clear. I think this is a very sound principle. The hon. gentleman is right in thinking that we should have some kind of competition for the public interest to be better served.

I know it could be argued in this particular instance, since the two railways are jointly operating the station and since there is an agreement about that, that producing the agreement would not impair the competitive capacity of the Canadian National in this particular instance. To make my point a little more clear, perhaps I should say that in June, 1966, an agreement was reached between the two railways which jointly operate the terminal to operate the new passenger facilities on behalf of both railways, with costs to be shared on a user basis. Under this agreement the Canadian National was given the duty by the two railways of making these contracts. I know it could be argued that in this particular instance it probably would have no effect on competition were the matter disclosed. I am sure that if the hon. gentleman wrote a letter to the president of the Canadian National in his usually persuasive and seductive way—

Mr. Cowan: It is not seductive.

Mr. Pickersgill: —that the president, on his own action, might say: "It makes no difference; I shall be glad to let the hon. gentleman see the particular contract." But a principle is involved here. I do not think we should breach the principle just because this child, though it might be illegitimate, is a very small child indeed. I think hon. members will realize, Mr. Speaker, that it was argued by a certain young woman on one occasion that it was a very small baby—

Mr. Cowan: May I protest about the minister's using the word "seductive" and his talking about a small child thereafter. There is no connection.

Mr. Pickersgill: I assure the hon. gentleman that I was using the term in a purely figurative sense that had no reference whatsoever to potency.

Some hon. Members: Oh, oh.

Mr. Pickersgill: As I said the other day, it is true that this contract and any other contract that the Canadian National may have made is not the property of the government. It is not in the possession of the government. It is a nice question—I do not intend to answer it but only to pose it—even if the house passed this order whether I, any other member of the house or of the administration could compel the Canadian National to turn the contract over to us. I have not explored the possibility of asking them, as an act of grace, to let the hon. gentleman see it. Quite frankly, I do not think that anything great in the public interest would be destroyed if he saw it.

I think it would be safe for me to go as far as to say that Canadian National are not satisfied with the service any more than anyone else is. They feel about the station as I feel about our airports. If there is to be really effective competition, and if we really desire to straighten out this business of two o'clock in the morning at the airports and twelve o'clock midnight at the Ottawa station, it would be stupid to get a service without insisting that a certain number of taxis be there.

• (6:30 p.m.)

In fact—and this is not just a Canadian experience—some of these operations are not really very lucrative. Like a lot of other services which are being provided, they are being provided in this way because in reality there is no competition at all, and no chance of it. Of course, at the slack hours all the taxi companies would just love to go out and pick up business but it seems to me that when they can pick up business here, or from the Chateau Laurier, they would leave passengers stranded and would feel no compulsion upon them to be there.

I have a responsibility as far as the airports are concerned and I accept that responsibility.

I am willing to take the criticism of hon. members as agreeably as I can and try whenever I can to make improvements. I think the Canadian National is trying to do what it can to make improvements, also. There is no one who likes to give lousy service or to have lousy service given. But the plain fact is that this does not appear to be a very attractive or lucrative way for taxi drivers or anyone else to make a living.

The purpose of making these contracts at all is to have some taxis there sometimes, instead of none at all. Contrary to my announced and sound resolution I keep being drawn into explaining, though not defending, the practice itself. I return to the ground upon which, with the greatest reluctance, I must resist the hon. member's motion. It would, I think, infringe a principle which ever since 1920 has been accepted by this house and which has enabled the C.N.R. to operate with what I believe to be increasing efficiency. It is that we have always respected their right, in order that they may have the fullest capacity to compete with private companies, to regard as their own property any information which we do not require to be supplied by a private company. I attach great importance to this principle and it is purely on this narrow, technical ground that, with great reluctance, I cannot support the motion moved by the hon. member for York-Humber (Mr. Cowan).

Mr. Peters: Before the minister sits down, may I ask him whether a request of this type would have been acceptable if the operation were under the control of a terminal authority, a joint operation, as previously proposed?

Mr. Pickersgill: I think that is a good question and I should like to answer it. If the Ottawa terminal were run by an agency of the government, there is no question that the contract would be producible. The bill which the hon. member had in mind was never passed, as my hon. friend from York-Humber pointed out. One amendment was made to it and others might have been made had it progressed, so I am not sure what the status would finally have been. My recollection is that the station was to have been owned by the two companies and not by the government. So it would not have been a government organization and this information would not therefore have been information which the government could produce. But if the station were owned and run by the government, there is no question that the contract would be produced.

Taxi Service at Ottawa Railway Station

Mr. Andrew Brewin (Greenwood): I do not often find myself in agreement with the hon. member for York-Humber, but on this occasion I support the motion he has made. I do so in part because I am naturally enthusiastic about the enthusiastic way in which he calls upon the government which he supports to live up to the true principles of Liberalism. I would urge that we should not tolerate monopoly except in very unusual and special circumstances, particularly when it is admitted by the minister that in this case it operates in a manner which I believed he described as lousy—and I am happy to adopt that word in this connection.

If a monopoly is operating in a lousy manner, I think it is up to the government to do everything in its power to open up the concession in question to free competition. I am happy to support the hon. member's motion because the situation in Ottawa is, as the house knows, not unique; similar monopolies operate directly under the control of the government at various airports. I know that at Malton airport a monopoly has been authorized there by the terminal authority, I forget the name of the organization. When taxi drivers bring fares to the airport they are not allowed to pick up return fares. As a result, the trip is expensive. And as always happens when there are monopolies, prices are excessive and service is lousy.

I was not impressed by the statement the minister made, though he made it with his usual charm.

Mr. Pickersgill: I hope the hon. gentleman will not represent me as defending this arrangement. I was trying to explain it, but I was not defending it. Perhaps he would permit me to ask him a question. Does he not think it is better to have a lousy carriage in which to get somewhere than to have no carriage at all?

Mr. Brewin: I think that is a point well taken, but it is beside the point I am making. I am satisfied that the free competition of which he and his party speaks so often, would result in taxis being available. I do not think this monopoly system produces results which are satisfactory and I do not believe if it were removed taxi cab operators would not be delighted to pick up new business and provide an adequate competitive service.

I do not support this motion only because I have great sympathy for taxi cab operators, or because I have great sympathy for travellers who have to pay too much for a lousy and

inadequate service, or because of my belief that there should be competition in the right place—

Mr. Deachman: May I ask the hon. member a question? I wonder whether this desire for healthy competition is a new addition to the N.D.P platform?

Some hon. Members: Oh, oh.

Mr. Brewin: I cannot blame the hon. member for not being fully acquainted with the platform of the party I represent but for many years it has been a strong believer in the value of competition, in the right place.

Some hon. Members: Oh.

• (6:40 p.m.)

Mr. Brewin: If he is interested in the program of my party, I will be delighted to give him a little private explanation and show him the exact text to justify my remarks.

An hon. Member: Let us have the example in Saskatchewan when the C.C.F. were in power.

Mr. Brewin: I can assure my hon. friend that there was a lot of good, healthy competition in Saskatchewan when the C.C.F. party was in power. My friend has been blinded by some partisan misrepresentation which may have come to his attention. I am sure he has been misinformed of the situation in Saskatchewan as it used to be under the C.C.F. government.

It was not my intention to talk on this matter, although it seems to deal with what appears to be the core of the argument. Mr. Speaker, I seem to be having a little competition.

Mr. Speaker: Order, please. Hon. members appear to be enjoying themselves. I should not like to bring them back to reality too rudely, but I think I must mention to the hon. member, and I realize I should have intervened when the hon. member for York-Humber (Mr. Cowan) was speaking to remind all hon. members taking part in the debate that there is a very limited point before the house. It is, the advisability of the production of these documents. This is the only point which is now before us.

Mr. Brewin: Mr. Speaker, I assumed that the same rule of relevancy applied to all members of the house. I was dealing with something which was irrelevant, but because it had been permitted I presumed it had become relevant in some manner.

I now propose to deal with the key issue in the remarks of the Minister of Transport (Mr. Pickersgill); that is, that as much as he might like to do it this order could not be made because it would breach some ancient principle which he said always had been adopted here. He said that a nationally owned railway, and I presume any other nationally owned institution which manages its own affairs and was given some powers of management, could not and should not be asked to produce any documents whatsoever. I should like to say that I think the time has come for us to look very carefully at this sort of doctrine.

I had not anticipated participating in this debate so I have not brought with me the authorities which deal with this particular matter, but I understand that in the modern and efficient country of Sweden this sort of secrecy is totally unknown in respect of documents which affect either the government or corporations which are publicly owned. They have virtually removed all secrecy.

Mr. Pickersgill: Mr. Speaker, I wonder whether the hon. member would permit a question. Does he think there should be one rule for private corporations and a different rule for publicly owned corporations which would require a greater degree of disclosure on the part of publicly owned corporations than on the part of privately owned corporations?

Mr. Brewin: In answer to the minister's question, I should like to say that I believe one of the advantages in respect of publicly owned corporations is that in the right sort of cases the government quite properly can intervene for the very purpose of securing publicity. I do appreciate the point the Minister of Transport made in respect of a situation where it might reasonably be shown that this would give the privately owned companies some advantage over the publicly owned companies. If in fact it would result in unfair competition against the publicly owned companies if they should be asked to disclose something which would be detrimental to the operation of their business, then I think the minister would be perfectly right in coming to the house and asking us to not pass the particular order. However, I believe his argument lacks substance in this case, especially when he himself admits, as he did, that this particular contract is one in which both the

privately owned and publicly owned bodies have an interest.

I suggest that in modern days it is no good to say to parliament, whether or not competition is affected, that we will not ask the publicly owned corporation to produce a document for a perfectly legitimate purpose, especially if it involves a monopoly which is detrimental to the consuming public and others who are legitimately in the same business. When there is clearly no reason to believe that the publicly owned corporation would be put to any disadvantage, there is a sound general rule that the publicly owned corporation should be asked to make available to this house any document it has.

The minister threw in this very interesting question. He asked whether or not such a request could be made without legislative authority to do so. Obviously, we have the sovereign power to act as a legislature. I wonder how practical the minister's suggestion is. If this order were made, obviously the railway company, the terminal company, or whatever it is—

Mr. Pickersgill: The Canadian National Railways.

Mr. Brewin: If the Canadian National Railways said that they would not make it available so that it could be produced in the house, the minister might have to come before the house and say that he could not obtain the document because they refused to give it to him. That is a most improbable situation. I suggest that the order should be passed, and if the minister finds himself in the position of not being able to carry out the order, then he could return to the house and in that case I believe the members would be sympathetic to him.

I suggest that the production of this document would not be detrimental to the corporation. I believe that the hon. member for York-Humber should be assisted in his battle for free enterprise, and I hope that the house will pass the motion.

Some hon. Members: Question.

An hon. Member: Competition altogether.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am very interested to see the people who are not in favour of competition and who certainly are not even in favour of having a very simple document tabled. I think the points which have been made by my colleague have been excellent points in a legal sense. I believe there probably is an even stronger case to be made in the practical sense. The free enterprisers I hear on the other side really are not free enterprisers at all. They are restrictive monopolists who do not believe there should be competition; they believe monopolies should be made in heaven for those who can make the greatest profit and pay the greatest amount for the concession. This reminds me of people—perhaps the type of people we have on the other side of the house—who go after a job, even though they do not expect they will make any money on the job, because they want the tips. This might be true in respect of the taxi company.

I might give you an interesting example. I was at the station on one occasion with a number of other people. There were no taxis and I said that we had better call a taxi. The person despatching the taxis said, "Call this number". I said, "Why should I call that number; that is the company which has the concession here. I will call any number but that one because if they had taxis available obviously they would be here."

• (6:50 p.m.)

He said they had a concession. Certainly, they had a concession, but they did not have any taxis. I did not see any point in making a telephone call to the company for which he was the despatcher because he had been frantically trying to get taxis, but none were available.

I think the request in this particular motion is reasonable. I have entered this discussion because I am one of those who did not believe we should build a railway station way out in the country where taxis are necessary.

Mr. Speaker: Order, please. I am wondering whether the hon. member is not straying from the point now before the house. In my opinion he is digressing a little too much.

Mr. Peters: I bow to your decision, Mr. Speaker, but I think this whole matter will have to be resolved, and perhaps it could be resolved easier if the minister had paid attention to the original objections made about granting this type of concession. Possibly a solution could be found in another way, but perhaps I should adhere strictly to the request made by the hon. member in his motion.

I am sorry the hon. member did not also mention in his motion the other facilities at the station, including the catering services.

Taxi Service at Ottawa Railway Station

Mr. Pickersgill: Perhaps the hon. member would permit a question which I think is closely related to the matter before the house. Does the hon. member think there would be a better catering service if there were competition at the station?

Mr. Peters: Frankly, I think there would be better service if there were any catering at all at the restaurant after ten o'clock at night, and if there were more than two people working in an operation which probably requires eight or ten employees. In any event, I do not think we could have competition in this field. A decision has to be made somewhere in this regard.

Surely, the general public has the right to find out why services are not available at this railway station. The minister may not be entirely right in suggesting that the Canadian National is solely responsible. I understand that the National Capital Commission has a great deal of money tied up in this operation. I have discussed this matter with the commission and was informed that no one knows exactly what the situation will be until the end of the year.

Mr. Pickersgill: Perhaps I can clear up this matter for the hon. gentleman. Regardless of the ownership, there is no question about the contract to which the hon. member for York-Humber (Mr. Cowan) has referred. This is a contract between the Canadian National Railways and the Blue Line taxi.

Mr. Peters: I accept that statement, but the point I was making was that had the contract been between the Canadian Pacific and the Blue Line taxi, on the basis of the evidence elicited by the hon. member from senior officials of the Canadian Pacific, the service would be better. Those officials were willing to disclose almost everything except the facts in respect of the competitive position.

It is my opinion that it would be wise, and to the benefit of the people operating the service, to disclose the facts because in this way they might obtain some public sympathy. Perhaps the company has not provided the minister with a copy of this contract but I am sure he could obtain one. I see no reason why it should not be made public because the contract does not involve inter-departmental relations which would not be in the interests of the company or the department to disclose. the fact that this contract has not been disclosed creates more difficulty for the Canadian National Railways, the minister and his department than if it were disclosed. I believe that suggestions could be made, if the contract were disclosed, which would assist the department in finding a solution to this problem.

I agree with the hon. member for Greenwood (Mr. Brewin) in that similar objections and difficulties have arisen in respect of other contracts of this type entered into between the Department of Transport and various companies. I recall the difficulties which occurred in respect of similar transportation between the airport and the city of Montreal. In that case, the minister became so annoyed he finally changed the situation. I also remember the situation in respect of transportation between Malton and Toronto. In this case the contract was not disclosed, but in the case of the Montreal situation the contract was disclosed and the situation was thoroughly discussed in this house. Hon. members made certain suggestions about the difficulties which had occurred as a result of the contract, and the contract originally negotiated by the Department of Transport was not renewed in the same terms as the original contract.

Mr. Speaker: Order, please.

Some hon. Members: Question.

Mr. Speaker: Is the house ready for the question?

Mr. Peters: May I call it seven o'clock?

Mr. Speaker: The hon. member has called it seven o'clock. The hour appointed for the consideration of hon. 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. Ryan in the chair.

The Acting Chairman (Mr. Ryan): Order, please. The house again in committee of supply on the estimates of the Department of National Defence, vote No. 1. It being seven o'clock the committee stands suspended until 8 p.m., pursuant to standing order.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order. House again in committee of supply, estimates of the Department

of National Defence for the fiscal year ending March 31, 1968.

DEPARTMENT OF NATIONAL DEFENCE

1. Departmental administration, including grants to military associations, institutes and other organizations, as detailed in the estimates and authority, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, for total commitments of $2,850,056,375 for the purposes of votes 1, 15, 20, 25, 30, 35 and 45 of this department regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,221,323,000 will come due for payment in future years) and authority to make recoverable advances under any of the said votes and, notwithstanding the Financial Administration Act, to spend revenue received during the year, subject to the direction of the treasury board, in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization, any member of the British Commonwealth or any provincial or municipal government and in respect of charges made pursuant to regulations under the National Defence Act for:

(a) clothing and kit items sold to members of the Canadian forces;

(b) living accommodation;

(c) food supplied to members of the Canadian forces and to messes and institutes catering thereto; and

(d) medical and dental care provided to dependants of members of the Canadian forces, $6,593,375.

Mr. Churchill: Mr. Chairman, just before the supper interval I was indicating that the minister's and the government's policy has been to place increasing and greater emphasis on peace keeping activities for the Canadian forces and that the minister's reorganization of the forces was designed to that end. I said I would produce further evidence, and I will. The minister, despite his agonized protestations, will have to admit that the general opinion is that this has become the main function in the defence policy of Canada.

I refer now to the defence committee hearings of February 28, 1967, page 1760, when the chief of defence staff, General Allard, was giving evidence. He was speaking about Canada's role and I quote his words:

It is its duty to participate to the best of its ability in peace keeping by supporting the organization which has made itself the champion of the smaller nations—the United Nations organization.

In short, that is the transformation proposed by the white paper.

If hon. members are not satisfied with that, at St. Catharines on April 1 General Allard spoke to a gathering. His speech is reported in the *Globe and Mail* of April 24. The heading is, "Mobile Peace Force Is Goal, Allard Says." I quote these words from the news report:

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.

I quote further from this news report:

Canada's forces were being made into a highly mobile force, in keeping with their role as peace keepers in the world, he said.

Some time in March there was a meeting, described in the *Globe and Mail* of March 6 as a meeting of experienced Canadian diplomats and military officers, to discuss peace keeping. This conference was held at Queen's university. The *Globe and Mail* sums it up by saying:

In the wake of the defence white paper, it is clear that Canada is committed—diplomatically and militarily—to an expanding peace keeping role.

In the *Globe and Mail* of April 5 there is a report of activities at the United Nations. According to the report Canada was apparently leading in proposing special training for UN troops. I quote briefly from this report:

Canada proposed yesterday that the United Nations set up uniform standards of special training for military units to be earmarked for United Nations peace keeping work, with special emphasis on police training.

• (8:10 p.m.)

This is an indication that at the United Nations, Canada is taking the lead in emphasizing a peace keeping role. Another person who has been convinced that Canada's role has been transformed, or that the main emphasis is on peace keeping, is the secretary general of the United Nations. The secretary general is not an unfamiliar figure in diplomatic and military circles so far as Canada is concerned. I expect that the Secretary of State for External Affairs has been meeting him in New York recently, unless the press reports have failed to give us their customary detailed itinerary of the activities of the Secretary of State for External Affairs. Apparently he has met the ministers of external affairs from other countries, or at least Mr. Kosygin. I do not know whether he has seen the President of the United States as yet but we are getting a detailed step by step description of his activities, and it all sounds very interesting indeed. It makes him appear to be very ineffectual. However, the secretary general of the United Nations must be very familiar with Canada's activities, and the

Montreal *Gazette* of Tuesday, June 6, reported as follows:

Canada's role in United Nations peace keeping operations has come in for much praise, ever since the large Canadian contingent was pulled out of the Gaza strip. All of it is deserved.

Secretary General U Thant was among those who praised the Canadian role in this field. But he inadvertently hit a tender point when he said in Montreal last week:

"Canada with its enlightened view of international relations, has even taken the revolutionary step of reorganizing its armed forces with the peace keeping function primarily in mind."

As recently as January 20 Mr. Arthur Blakely of the Montreal *Gazette*, who is a senior, experienced and competent news reporter, was in Washington obviously conferring with various influential people in the United States. I will quote one or two sentences from his article:

The United States, strange to relate, harbours a dark suspicion at the official level that Canada is wobbling towards a perilous neutralism.

Farther on, the article reads:

Even Canada's military and foreign policy preoccupation with peace keeping operations, under UN auspices, serves to feed the suspicion that all is not well north of the border. And the armed forces unification program is looked upon coldly as a military device which may render Canadian forces as virtually unemployable for anything but a United Nations peace keeping operation.

That is evidence which cannot be lightly brushed aside. How did it all come about? I have stated on other occasions that the origin of this transformation, to use the word of the chief of defence staff, rests with the Prime Minister of this country.

If, sir, you would refer to *Maclean's* magazine of May 2, 1964, you would find stated therein the policy as the Prime Minister envisaged it for the future. You would then understand how it has happened that, from the time when the white paper was published and throughout 1964 and the subsequent years, the Prime Minister and the Secretary of State for External Affairs have supported the Minister of National Defence in the reorganization of the armed forces which we have criticized. Obviously, the Prime Minister, having given the Minister of National Defence instructions, has had to support him throughout despite all the evidence which was produced last summer, last fall and in the spring, that it was an error of judgment. In the article in *Maclean's* magazine, which was written by the Prime Minister himself, you will find some important statements such as the following one:

I believe that arrangements to prevent the spread of "brushfire wars" can be and must be made; we must have a force that can do this brushfire job, and do it well.

[Mr. Churchill.]

I believe, however, that the initiative for advance planning should come—as it has come in the past—from a country like Canada, not from a great power.

Then he goes on, in this very informative article, to state as follows:

What is needed, in fact, is an entirely new arrangement by which these nations—

He is speaking of nations favourable to the idea.

—would establish an international peace force, its contingents trained and equipped for the purpose, and operating under principles agreed on in advance.

farther on, he states in this article:

With a group of middle powers working together this way, a respectable and effective stand-by peace force could soon be brought into being ready for instant use.

He also states:

In this way, if a crisis arose and there were no UN force to deal with it, the world organization would know that some members had available their own international force for preserving the peace; for carrying out and supervising UN recommendations when called on; for pacifying disturbed areas; and for putting international police force behind international decisions.

Finally, he states:

There must be leadership to bring this about. Interested governments must be prepared to give it. As a leading middle power, with a well known record of support for United Nations peace keeping operations in widely spread theatres, Canada is in a unique position to take the initiative. It is prepared to do so.

That, sir, is clear evidence that the policy of this government throughout 1964, and from then on, has been to put the main emphasis on a peace keeping force for the United Nations. I suggest to you, as I did earlier before the supper recess, that it should not take precedence over Canada's own defence, over Canada's commitments to NATO and to our allies in that area, nor over our commitments to NORAD. What I object to is the transformation which has occurred and the emphasis which has been put on the United Nations peace keeping force while other factors have been relegated to an inferior position. I think we do not thoroughly understand the nature of peace keeping. I reject entirely the minister's statement about the use of our forces, and I quote from page 14431 of *Hansard*:

...to participate in any action anywhere in the world which might be in the interests of Canada in so far as putting out, containing or controlling incidents which under other circumstances might escalate into something more serious.

You engage in war when you try to prevent an armed conflict from escalating into something more serious. Had we had heavily armed forces on the Egyptian and Israeli border and had they remained there, they would have engaged in fighting. Why do we not go to the support of the British in Aden to prevent that conflict from escalating into a major war? What about the situation developing in Nigeria where, we are told by newspaper reports, civil war may break out? What about the situation in Mozambique which the Toronto *Star* of Thursday, June 22, calls "a forgotten war" where the Portuguese are fighting against rebel forces in that country supplied, as reported, with money and arms from Tanzania and Zambia. This morning we discovered in the external affairs committee that Canada is providing military guidance to Tanzania. Is this the way our foreign aid is used? This is an interesting question which we might ask officials in the external affairs department. Do we really understand the nature of peace keeping operations?

• (8:20 p.m.)

I think everyone should read the book called, "Soldiering for Peace" by General Carl von Horn, published in England in 1966, and in the United States in 1967. This man spent six years as head of the truce or observer forces in Israel on the border between Israel, Jordan and Syria. He also spent some time in the Congo, then returned again to Israel and was posted to Yemen where there has been an abortive exercise by the United Nations. This book by an experienced military commander of United Nations forces will give people an idea of the difficulties involved in peace keeping, which it seems to me we rather lightly talk about. There is one sentence in the book in which he says that peace in our times is a bloody business, and it should be so recognized. We are being bemused and confused by talking about peace keeping and peace restoring; we are organizing our forces in an incorrect way, I think, and placing the emphasis in the wrong place.

Even in the observer corps that has been working for years on the border between Israel and Lebanon and Syria a valuable Canadian life was sacrificed, the life of Colonel Flint of the Princess Patricia's, who in 1958 was examining an incident which had occured between the Israelis and the Syrians.

The Chairman: Order. I must interrupt the hon. member 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? Has the hon. member unanimous consent of the committee to continue?

Some hon. Members: Agreed.

Mr. Churchill: Mr. Chairman, I thank the committee with a certain element of surprise, and I am very grateful. I was saying that one valuable Canadian life was lost. We must ask ourselves whether this is the type of work that Canadian soldiers should be asked to do under present circumstances. General von Horn points out the difficulties of the various missions on which he served in those countries in the Middle East. He tells an extraordinary story of courage and endurance and of coping with untold difficulties. He has praise for various Canadians who served with him in those areas, but he clearly shows how those observer corps forces and the other armed forces that he commanded in the Congo, in Yemen and so on, were handicapped by the ineptness of the administrative services of the United Nations.

I think that our government is thoroughly familiar with the need for a better type or organization in the United Nations in order to put these groups or armed forces in the field. Surely this is partly what the Prime Minister was writing about in *Maclean's* magazine on May 2, 1964, the necessity for some type of superior military and administrative organization in order to assist in these operations abroad.

However, Mr. Chairman, I very much question whether we in this house have sufficient information about some of these activities. We have been taking it a little for granted, and a book such as the one I have mentioned sets out very starkly and clearly that it is not a simple matter to post observer corps along the borders of countries who adopt a belligerent attitude to one another. It is not an easy matter to post these forces in extremely difficult terrain. It is a very difficult matter indeed to operate and command forces gathered together from various countries around the world, each with its own ideology. There is nothing easy about that at all.

Before we commit ourselves to any more adventures, Mr. Chairman, I think we should re-examine and reappraise the nature of our obligations. We want the United Nations of course to survive as a useful force in the world, but let us not bemuse ourselves by talking about peace keeping missions and pretending that these are going to be successful or will be the answer to the problem. Recent events have clearly shown that the United

Nations emergency force in the Gaza strip and elsewhere was ineffective in preventing the outbreak of war. I think it is a careless use of language to say that this force preserved the peace for ten years. Peace was preserved for ten years only because the antagonists were not ready to fight. Had they been ready earlier, that peace force would have been sent home, as it was.

The observer corps activities on the border of Jordan and Syria have been relatively ineffective over all these years. This book by General von Horn is replete with examples of incidents caused by both sides, and war was not prevented. Accusations were made, reports were sent to the United Nations. He states that in the United Nations, either in the security council or in the assembly, on 400 occasions there appeared on the agenda a resolution or a reference to the trouble between Israel and the Arab states. So, the political solution has escaped the nations of the world all these years, despite the observer corps on the border and despite the emergency force in the Gaza strip.

What I dislike is the unintentional pretence that these forces really are effective. I think we should reach the conclusion that they are not and that something better has to be devised. Even when war broke out just two weeks ago, sir, immediately the cry was that it was up to the four major powers, or certainly up to the United States and Russia, to prevent the war escalating.

This is what happened in 1956 at the time of the Suez crisis. It was not the interposition of the hastily assembled emergency force that prevented that war from spreading or continuing: it was the pressure brought to bear upon the combatants by the major powers in the world.

Canada played an important part in setting up that original emergency force. The Prime Minister has never claimed that the idea originated with him. His sycophants have repeatedly written and told us that this was his idea, though he has never claimed it for himself. The idea was not new to the world. There was a peace force established under the League of Nations when the plebiscite was held in the Saar Valley. Many people suggested some sort of force be made available to the United Nations to restrict belligerence, and even at the time of the Suez crisis the hint or suggestion that there should be an international force established there was first made by Sir Anthony Eden in the British House of Commons. The message was relayed to Canada. It was considered by the cabinet in Canada several hours later, and subsequently Canada was able to propose, and have carried, at the United Nations a resolution to establish such a force. Canada was also very active in getting the force set up.

• (8:30 p.m.)

This is a good record but it did not solve the problem. I suggest, therefore, that a reassessment of our defence policy is required. It is quite wrong, under present circumstances, to put our main emphasis on the so-called mobile force which is to be available for service anywhere in the world, and to pretend to our people that this force will be able to contain or prevent escalation when trouble has broken out. It can do no such thing. If this force becomes involved, it will have to fight; and if it fights Canadian officers and men will be killed, just as British officers and men are now being killed in Aden. We must be realistic about this. That is why I maintain that until the nations of the world in the United Nations can devise a more effective method of solving some of these problems on the political level, and until they can devise a more effective method to provide for the command and administration of forces that are used under United Nations' auspices, we should pause and consider where our interests really lie. That is why I said before the supper adjournment that the defence of Canada comes first, our NATO alliance second, our NORAD alliance third, and the United Nations' efforts fourth.

We alone cannot be the peacekeeper of the world; we are not equipped for that. We have not the population nor the forces, and we are fooling our people when we pretend that we are ready to take on these jobs when we are not ready to take them on. No government will commit Canadian servicemen to these difficult operations and dangerous missions unless there is some hope of achieving the objective in mind.

Our interests of course are for world peace; but we have no specific interest in some of the areas where trouble is occurring. In conjunction with our allies, we should be prepared to assist, naturally. But what are we doing? We are not assisting Britain in Aden; we are not interested in Portuguese East Africa, we are not much interested in what is going on in Nigeria, and if we were we should not take part in anything in that region. We were not able to take part in the trouble between Israel and the Arab states despite all the talk about our mobile forces being ready

to go anywhere, at any time, on sudden notice. We are not participating in the war in South Viet Nam, yet we are talking about providing peacekeeping and peace restoring forces. This, sir, is wrong.

With the prevailing world situation we should be closely allied with the two countries beside which we fought and stood in two world wars. If there is a third world war those are the countries we ought to associate with—Britain and the United States. The organization of our defence forces should be so drawn that we can co-operate with those great countries. That is where our main interest lies.

Our obligation is to the people of Canada, to the protection of their lives and to the defence of this country. Those obligations can best be fulfilled through our close association with the United States and the United Kingdom. I deplore this transformation of Canada's defence policy, as the chief of the general staff has called it. I deplore this confusing and nebulous emphasis on peace keeping and peace restoring. Those are meaningless terms when one examines some of the difficulties which are involved. General von Horn, in his book which is based on practical experience, shows what is to be done. To commit Canadian servicemen to these expeditions under an ineffective administration and control system in the United Nations would be very foolish indeed.

For that reason, I conclude by saying that I am very dissatisfied with the shift of emphasis in Canada's defence policy. In the light of recent experience in the Middle East I say that that policy should be revised.

Mr. Brewin: Mr. Chairman, the hon. member for Winnipeg South Centre will forgive me if I do not continue the debate, which I have had with him before, about the value of peace keeping. I must say that I read the events of the last few weeks differently from the way he reads them.

Mr. Churchill: That shows the value of debate.

Mr. Brewin: I believe that the fact that war broke out as soon as peace keeping forces were withdrawn does not show that those forces were useless. It shows, rather, that the force is needed permanently, and that it should not have been withdrawn hurriedly. It shows also the necessity of having a better organization to keep the peace. That is the lesson I would draw from the past weeks.

I suspect that in the world of the future peace keeping forces and the sort of mobile conventional forces that we are now developing will still be needed. If the government's plan is what the hon. member says it is, it will have our support. The future security of Canada and of the world demands that we should continue to play this sort of role. We should play it, not simply in so-called peace keeping operations under the United Nations—of course, we should include those—but we should adopt that role as a major aim of our defence policy.

This evening I wish to deal with a subject which has already been mentioned by the hon. Minister of National Defence. The issue that is facing us in this country—indeed, it faces the whole western alliance in the realm of defence—is of the utmost importance. I refer to the deployment or proposed deployment of antiballistic missile systems commonly known as A.B.M. systems or sometimes as B.M.D. systems.

It is well known to those who have studied this question that crucial decisions face our allies in the United States about future plans in this connection. Before becoming involved, Canada must take the crucial decision whether it intends to follow what is being done in the United States. The decision about the employment of antiballistic missile systems is crucial for the future security of the world and for the maintenance of the type of society and life in which we believe.

• (8:40 p.m.)

In my view it is necessary that these matters be discussed publicly in parliament and elsewhere so that the decisions, when we come to make them, will be independent Canadian decisions, arrived at in full knowledge of the implications and uninfluenced by pressure. The minister has on a number of occasions given his word in the house and in the defence committee that Canada will not become involved in the deployment of A.B.M. systems until there has been discussion in parliament. I suggested in a question to him earlier in this debate that these matters should be referred to the committee on defence as soon as we reconvene after the recess in order that expert evidence may be called, and the arguments both for and against carefully reviewed before decisions are taken. We have seen in the committee that once a policy decision has been made and the government is committed to it, positions tend to crystallize and the discussion becomes not only partisan but often sterile. When information on these

questions is made available before rigid policy decisions are taken I believe we are far more likely to arrive at wise decisions. Moreover we would then have the ability to say to the people of Canada that we have arrived at those decisions in the full knowledge of the facts.

Though this is a technical subject, I will endeavour to describe the position of A.B.M. deployment as it is at the present time. As is well known, there are two great powers—the United States and the U.S.S.R. For some time they have been locked in what is called a nuclear stalemate, and this has given to some parts of the world at any rate, a fragile stability. This stalemate has been based on the fact that each of these super powers has so-called strategic or hydrogen bombs in its possession capable of almost unthinkable destruction. These bombs, as is known, can be delivered anywhere in the world by intercontinental ballistic missiles a few minutes after being launched. In addition, this tremendous destructive power has been rendered virtually invulnerable by a variety of means such as "hardening" the missile launching sites or by placing these weapons in submarines which can roam the oceans and pop up anywhere to launch bombs capable of destroying whole cities.

As a result of this invulnerability, even after a surprise attack has been launched the other side would still retain the power to inflict upon its attacker what is called unacceptable damage—a phrase used to describe the power to completely destroy the society in the country which launched the attack and to kill tens of millions of people who would lose their lives almost immediately after such a retaliatory blow.

Because of the invulnerability of this fantastic power, we have experienced what is known as the nuclear stalemate. It is in this context that the deployment of anti-ballistic missile systems is being considered. They are designed, as we know, to destroy incoming rockets, and the proposal to make such installations is under active consideration by both the United States and the U.S.S.R. Three recent developments have forced the United States government, which has hitherto been extremely cool toward the proposal, to reconsider its position. I attended a conference last week at which I acquired a new expression which I should like to reveal to the committee. It is said the situation has now been reached in which the United States has to make a "go—no go" decision. I take it this jargon means that in a short time they must either proceed or abandon this development.

[Mr. Brewin.]

First of the new factors involved is a technological development which has made it easier to detect decoys in the stratosphere and made it possible, or feasible, at a relatively small cost to detect a great many, if not all, of the incoming missiles and destroy them before they reach their targets. A second factor which has caused this matter to become one of crucial importance to decision makers in the United States is the detonation by the Chinese of various nuclear devices including the hydrogen bomb, as has become known in the last few days. The third is the fact that there has been at least some limited development of an A.B.M. system in the U.S.S.R. for the protection, I gather, of Leningrad and Moscow.

In these circumstances the United States has been forced to consider whether they in turn should deploy these weapons, and since they are reluctant to do so, for reasons I will mention in a few moments, they are now in the process of seeking to make an arrangement or agreement with the U.S.S.R. to forgo or to limit, in any event, these new A.B.M. deployments.

A decision in this respect may be made very shortly but I think the U.S.S.R. has said, quite naturally, to the United States government that if it is to discuss the limitation of A.B.M. deployment it also wishes to discuss the reduction of the immense superiority in strategic weapons now possessed by the United States in the ratio of approximately four to one. The Soviet union argues that it might be interested in restricting the deployment of anti-ballistic missiles systems if the United States would agree to limiting its means of delivery or take serious steps to cut down the immense over-kill capacity of its strategic weapons.

I wish to say something about the financial cost which would be incurred if a development of this type were approved. That of course depends on the type of development. In the language used by those who deal with these matters there could be either a hard point area or urban deployment, designed to defend strategic locations against ballistic missiles or defend cities and larger areas. There are, of course, differences as to the extent to which protection would be made available—posture A and posture B in the terms used by the more technically expert. Whatever system is proceeded with the cost is estimated as between $10 billion and $40 billion in the United States.

• (8:50 p.m.)

I doubt that there are very many observers who do not believe that if this process is embarked on that the higher figure will prove to have been far too low. So, there is a colossal expense of wealth and of human resources and energy which necessarily would be poured into this. This is the first part of the cost which has to be considered. It is not just a dollar cost because it means the transfer of resources which might, for example, be used to deal with the poverty which threatens the world. It might be used to improve the societies in which we live and which certainly need improving.

I have not come to the matter of the Canadian involvement in this matter, but I shall do so in a few minutes. Suppose, however, that the Canadian involvement were to be proportionate. I suppose that would mean the expenditures we would have to envisage would be perhaps a tenth of the United States which would be $1 billion or $4 billion, although I think the higher figure is much more probable and, as the minister pointed out, this involves a continuing expense as well.

The real cost, however, is not just the cost in money or materials which might be involved in this. I should like to read from an article which was originally published in *Foreign Affairs* by Mr. J. I. Coffey who served in the state and defence departments and on the White House staff, an expert in these matters. He says:

> Chief among the costs is likely to be an erosion of the already slim possibility of reaching agreement on further arms-control measures which could promote a more secure world.

I think of that as a very mild way of saying that once you have become involved in this new level of escalation what you are doing is saying goodbye to the very bright prospects of getting an effective non-proliferation agreement. There is an expectation that within a short period a draft non-proliferation agreement will be tabled by the great powers at the Geneva conference on disarmament. But what hope would remain that the great powers would be able to persuade the non-nuclear powers not to acquire nuclear weapons if the nuclear super powers themselves proceed to new heights of nuclear development and exhibit complete lack of control? The hopes of limiting this fantastic nuclear power to the five nations who now have it is likely to go up in smoke.

Those are some of the costs. But if billions and billions of dollars constitute a high cost, and if the loss of the prospect for arms control and relaxation of tension is a high cost, is it a cost which ought to be paid for our security or is it a cost which the United States should pay for the security of the United States? I believe the answer is very clear. The answer is that you do not buy security in this way. All you do is provoke an equal response by the other side which means that the degree of security you have is certainly no greater than it was before.

I should like to quote the words of secretary of defence McNamara when speaking to the armed services committee on the 1968 defence budget of the United States. This is what he said:

> It is the virtual certainty that the Soviets will act to maintain their deterrent which casts such grave doubts on the advisability of our deploying the Nike-X system for the protection of our cities against the heavy, sophisticated missile attack they could launch in the 1970's. In all probability, all we would accomplish would be to increase greatly both their defence expenditures and ours without any gain in real security to either side.

Mr. Chairman, I ask, if you do not obtain security at this fantastic price which you are called on to pay, why pay the price? I suggest the answer is very obvious. We must not be deceived. The pressure to proceed with this will be extremely strong. Simple arguments are made that if you can knock down incoming bombs or avoid the threat of bombs you save lives. This is far too simple. You do not save lives if the other side at the same time increases its power so that the total ability for destruction remains precisely the same. But this is a good, simple sort of argument to make.

I have no doubt that the group which former president Eisenhower described as the industrial military complex in the United States would not be unhappy about the developments which would involve the expenditure of billions of dollars on new equipment of this sort. So, the pressures will be great. If the Russians should be unwise enough, and I think they would be unwise to proceed to an all-out deployment of a ballistic missile system, then the pressures on the United States to do the same thing no doubt would be very great.

The first point I should like to make is that I wish to urge the minister and this government to employ all the persuasive power they have in putting their weight in the scales against this fateful new development by the United States of America. It may be that they have already done that, but as an ally and neighbour of the United States which cannot

help being involved in the developments which affect the people of the whole world, I would urge the government to make the strongest possible representation it has in its power to make on this matter before the decision is made. We certainly have no right to veto the decision if it is an unhappy one from our point of view. However, I believe we can claim the right to give advice, or to be heard at any rate on this issue, before the decision is made.

Now, Mr. Chairman, I should like to turn for a few moments to the Canadian situation. Before I do that I should like to say that one of the proposals which now is being bandied about in the United States is that there should be some sort of a compromise measure which would be a light ballistic missile system costing about $10 billion. This light system would not be effective against any all-out strike from the U.S.S.R. with its sophisticated means of delivery. But the suggestion is made that this light system might be able to meet the supposed threat of a nuclear attack from the People's Republic of China. I want to suggest that if that is the type of system that is to be deployed, this country should have no part in it whatsoever. We do not believe that the Chinese deployment involved any threat to this country or to North America. If it should, then I think the answer was well given by the hon. member for Rosedale, who is the parliamentary secretary to the Secretary of State for External Affairs, in a speech he gave at Scarborough last Saturday. He said that so far as that was concerned, the time that would be taken to deploy an anti-ballistic missile system is far shorter than the time it would take the Chinese to develop an effective striking power and therefore to go ahead with a system before you know you even have to meet the threat would be a foolish thing to do.

As the hon. member for Rosedale put it, a "wait-and-see" approach would scarcely endanger western security. In talking to some of our friends in the United States, I sometimes think that when they see their security in some way related to a future confrontation with the People's Republic of China—as some of them seem to see it—they are making a very grave error in judgment.

• (9:00 p.m.)

I think their security and the security of the world depends far more on their ability to seek and obtain some reconciliation with the People's Republic of China which is no real threat to the United States and unlikely at any time to become one. In any event, I urge upon the government, when and if the deployment of anti-ballistic missiles is undertaken in the United States, which are competent only to meet a threat from China, that they say we are not concerned with meeting this particular threat and stay completely out of this.

However, it will be said, and quite rightly so, that this country is linked closely in the defence of the North American air space through NORAD and through other arrangements with the United States. This will lead to pressure upon us, if the United States decides to deploy this system, to acquire installations from them and to buy city defences. This will become evident, and if the city of Buffalo, for example, were to have what purported to be a protection then one could understand how those who come from the city of Toronto, like the minister and myself, might be under some pressure to obtain for Toronto the same sort of defence the United States had seen fit to provide for Buffalo.

There is no reason to believe that this particular form of defence will provide security. As Mr. McNamara and others have pointed out from time to time, once you move ahead to provide a defence against a threat that exists today then a new development of offensive power takes place almost immediately. There is no one that I know of who seriously suggests that this system of deployment would be really efficient. It might, if ever called into play, conceivably have the result of minimizing the loss of life. Again, let me ask what would be the expense and how effective would it be in minimizing the loss of life if the enemy increased his offensive power to correspond.

I suggest this creates a further involvement of Canada in an unnecessary nuclear role. I suggest we cannot possibly afford it, and attached to it is a very unpleasant rider. An A.B.M. system implies the installation of a system of shelters against fallout which in turn involves not only large sums of money out of the taxpayer's pocket or the individual property owner's purse, but a degree of regimentation if it were to be taken seriously at all and not merely as a bluff.

I think the time has come for this country, looking at this independently and from its own point of view, to say that if the people in the United States believe they can afford the billions of dollars that would necessarily be involved in a system of defence that certainly

would be provocative and would very likely be ineffective, we do not command that type of resources.

We should say that the resources we have will be directed toward something we think is more important and more useful. I do not know that this committee is the right place to quote from hymns, but a line of a hymn comes to my mind which I think is appropriate. It is "Turn back, O man, forsake thy foolish ways."

The adoption of anti-ballistic missile deployment is just another new turning or step on the ladder in the unending process toward a situation where the whole energies of man will be devoted to mutual terror, mutual threats of destruction and mutual futility. I believe that Canadian people will be in a position, quite apart from what the United States may decide to do, to say we must put a stop to this particular process. I do not mean to imply by that, however, that we cannot or should not discuss with the United States mutual defence arrangements, radar screens and other arrangements in respect to which we could be of assistance both to strengthen their security and strengthen the deterrent power of their own strategic forces. I do urge, however, that the government and the minister afford to this house, through the defence committee, at the first opportunity, such information as is available on this vital and urgent subject. There may not be complete information but there is undoubtedly information that will create an atmosphere of understanding of these very grave issues, so that when a decision must be made the government can make the decision, not based upon pressure but based upon Canadian understanding of the issues at stake. If they do that, I believe this will be one of the greatest contributions they could possibly make through defence measures to arms control and to a peaceful world in the future.

[*Translation*]

Mr. Langlois (Chicoutimi): Thank you, Mr. Chairman. I only want to take a few minutes to make some brief remarks. I for one do not believe in long speeches, because one finally realizes, after analysing them individually, that what took half an hour or three quarters of an hour to say could easily have been said in four or five minutes.

At the beginning of the study of his departmental estimates today, the Minister of National Defence (Mr. Hellyer) congratulated his associate minister (Mr. Cadieux) and I should like to join in his congratulations.

I also wish to congratulate the minister on his fine work, something that my good friend for Winnipeg South Centre (Mr. Churchill) failed to do, when I was expecting him to do so.

[*English*]

Mr. Churchill: I will do that in my second speech.

Mr. Langlois (Chicoutimi): I thought you were going to do it.

[*Translation*]

In his introductory remarks the minister revealed that Canadian forces now had 105,000 men, an increase of more than 1,000 soldiers, airmen or sailors in the past few months, that is since the unification bill is in force. I should like to bring this to the attention of some members of the opposition, particularly my good friend from Argenteuil-Deux-Montagnes (Mr. Régimbal) who claimed, during consideration of this bill, that men could not be kept in the Canadian forces without conscription. My congratulations then to the minister for having achieved an increase without resorting to conscription.

The main purpose of my short address is to defend our officers and men of the Canadian armed forces based at Bagotville, further to a question raised at 10 o'clock on May 18, 1967, by the member for Roberval (Mr. Gauthier).

I will not read the complete question of the member for Roberval, because it would be rather long and perhaps, when reading *Hansard*, people might think that I put the question.

Anyway, the question was about the purported problems caused by the airplanes leaving Bagotville and flying over the constituency of Roberval.

• (9:10 p.m.)

Mr. Chairman, as member for Chicoutimi where the Bagotville base is located, I know what noise a jet can make, especially on takeoff. I have not received any complaints about noises, thunder, etc., which can occur when those planes fly.

The member for Roberval brought up all kinds of things in his speech. I think it might be very interesting for the members to read it as reported on pages 408 and 409 of *Hansard*, for the second session of the 27th parliament.

I do not intend to review what he said point by point; instead, I shall leave it to the hon. members and the people of his riding to deal with our friend for Roberval.

Furthermore, what prompts me to take the floor tonight, Mr. Chairman, is that following the statement of the hon. member and press reports, I received, here in Ottawa, several copies of resolutions passed by town councils in the Saguenay-Lake St. John area, congratulating the department for the way the Bagotville base is conducted, congratulating the base personnel for its courtesy, etc., while I received not one letter that might suggest the hon. member for Roberval could have been right. I sincerely believe that the dealings of the officers and the people on the Bagotville base, especially with the population especially of Chicoutimi—for the base is located in Chicoutimi—as well as with the whole Saguenay-Lake St. John population, are excellent. In addition, the morale is at a very high level on the base.

And to prove that the people do not in any way stand aloof from the air base staff, 62,000 visitors attended the air force show at Bagotville in this centennial year.

Everyone enjoyed the show very much, and I congratulate the famous group which performs these acrobatic feats throughout Canada this year during the air force day.

Mr. Chairman, I would like to point out to the house, to those who are somewhat sceptical about bilingualism and Canadian unity that 38 per cent of the servicemen stationed at Bagotville, in the riding of Chicoutimi, are bilingual. I think that this is certainly a fine effort on the part of our two founding races to ensure a better co-operation, a better understanding and to further Canadian unity.

I would like to thank and congratulate the department, especially the minister, for agreeing to send helicopters to the Bagotville base—two have been there for a few months—which are used to search for military personnel as well as civilians. The fact that they are used to search for civilians is looked upon very kindly by the population. Our territory covers a wide area. In the Saguenay-Lake St. John area there are immense forests and numerous streams and often fishermen, hunters, trappers and people engaged in bush operations are in trouble, far from the large centres, and each time we have asked help from the officers stationed at the air force base, we were received very cordially and when possible—and I can tell you that it is 99 times out of 100—we got the help needed.

To conclude, I would like to say that I had the pleasure of seeing the famous show put on for the centennial by the Canadian forces. It is called the Military Tattoo, and it is known in French as the "carrousel des forces armées du Canada".

I wish to congratulate the minister and the associate minister, who were certainly very closely connected with this show, as well as the whole production team and all the participants. It is remarkable that these members of the armed forces, trained not to put on shows but to serve their country, should be able to get together—and they number 1,000 or perhaps 2,000—and produce such entertainment. Some of them have varied and rather extraordinary talents.

I wish to congratulate them all. These are the remarks I wanted to make tonight, Mr. Chairman.

[*English*]

Mr. Harkness: Mr. Chairman, as I understand it this will be the only day upon which we will be able to discuss the defence estimates this session. In view of the hour, which leaves only 40 minutes of the parliamentary day, I shall forgo any general remarks that I might otherwise have made and deal briefly with only a few specific matters. The first is the size of the defence budget. This afternoon the minister put on the record a chart or charts which were designed to show that, in terms of the defence dollar, when compared with 1963 to 1964 the cost of defence had gone down, or alternately that if the establishment of 1963 to 1964 had been maintained, the cost would have been very greatly in excess of what it is at the present time.

This was a perhaps ingenious, but I think very blatant, attempt by the minister to try to continue fooling the Canadian people with regard to the cost of defence. During the past three years the minister has consistently tried to persuade the people of this country and the members of the house that he was saving or was going to save enormous sums of money by the unification scheme he was putting into effect, and prior to that the integration scheme he was putting into effect. But the bald fact is, if you look at the estimates you will find that the cost of defence this year has increased by $115,309,000. That is the bald and actual fact. All the squirming, excusing and fiddling around that the minister does will not disguise that fact from the members of this house in particular and the people of Canada as a whole. In other words, all of the minister's much vaunted program for saving money for the Canadian taxpayer resulted in an increase in the cost of defence last year, and this year in a further increase of more than $115 million.

In addition, Mr. Chairman, the minister did not point out that in 1963, when he became Minister of National Defence, we had in this country an establishment of military personnel in the neighbourhood of 122,000 officers and men. We now have between 105,000 and 106,000 officers and men. This is a very serious decline in the number of personnel, and at a considerably increased cost. In other words, we are now getting less for our defence dollar than we were in the past. No ingenious attempt to explain away these figures will be accepted.

The next matter on which I should like to speak briefly is that to which the hon. member for Greenwood seemed to devote most of his attention. I refer to the anti-ballistic missile system which is at the moment being considered in the United States and which we may have to consider doing something about in Canada. I believe it is completely unrealistic at the present time to take a hard position against this system without knowing what the facts are and what the necessities of the situation may be. Similarly, I believe it would be very foolish to take a hard position in favour of it. At the present time we are not in a position to assess what risk is involved. An anti-ballistic missile system would be instituted as a survival measure; in other words, a measure to try and ensure the survival of as many people as possible in this country or the United States. Whether the United States goes ahead with an anti-ballistic missile system will depend, in my opinion, on the assessment they make of the risk involved and whether or not the risk involved makes it necessary to put in a system of that kind. Exactly the same considerations must be investigated by us. At the present time to take the position which was taken by the hon. member for Greenwood, that it is completely bad and wrong, is wishful thinking in my view. In other words, we cannot say that there is no risk and therefore we do not need to do anything about it.

• (9:20 p.m.)

The next point concerns the satellite communication system which is being developed in conjunction with the United States. Can the minister confirm that this is what he said in fact?

Mr. Hellyer: There are two systems, one is a trilateral one being developed by Australia, the United States and Canada for the ground forces, and then there is the NATO system.

Mr. Harkness: I think the minister should give us more information in connection with this matter because, as I understand the situation with regard to communication satellites, there is only room for a very limited number of communication satellites if they are to work effectively. If this is to be a purely military communication satellite, it means in effect that it will not be possible to put a civil communication satellite into effective operational use. Therefore, I hope the minister will tell us whether this is to be a combined military-civil communication satellite system or a purely military one, how it will fit in space and what is the number of civil communication satellites.

The minister told us that the *Bonaventure* our only carrier, would be back in operation this fall. The question that immediately occurred to me is how is it to be manned? I would like the minister to answer this question. Only a few months ago we were informed in the defence committee that of the 20 odd vessels which we still have in commission in Canada there were only 16 actually in operation. In fact, that is what the minister himself told us in giving evidence before the committee. The *Bonaventure* and some others were being refitted, but a considerable number were tied up at the docks because sufficient crews could not be found to man them. Under these circumstances, and in view of the fact that the increase in the forces has been very small—I will speak about this subject later—how will the *Bonaventure* be manned? Does this mean that several other destroyers will be taken out of operation in order to provide the crew for her?

The next point which the minister mentioned was the change in the form of the estimates. He spoke with great pride in this connection, and assured the house it would put us in a much better position to deal with these estimates and to understand them. I agree that a breakdown of the expenditures so far as each of the commands is concerned would be of advantage, but the minister has not given us the actual cost of equipment and administration so far as the navy, the army and the air force are concerned. Thus we are unable to compare what the cost will be in this coming year, as shown in the estimates, with what the costs were in previous years. In other words, we are in a much worse position to understand what the actual situation is with regard to defence expenditures than we have been in the past.

This leads me to the next point. I think the minister owes it to the house to give us this

breakdown. If we look in the estimates book we will find on page 318 the details with regard to construction or acquisition of buildings and works and major equipment. We are given no breakdown so far as the army, the navy and the air force are concerned. Thus, we are left in the dark concerning equipment matters. I hope that in this year the amount provided for equipment will be spent. In the past three to four years the amount which was provided in the estimates for equipment was never spent. The money which was voted for defence was spent, but a considerable amount which was actually voted for the acquisition of equipment, aircraft, ships, armoured fighting vehicles, guns, ammunition and so on, instead of being spent on these items was spent on general administration, personnel costs and things of that nature. This is what happened, in spite of the fact that the minister said he was going to make great savings in administration costs and was going to devote the money thus saved to the acquisition of new equipment. In actual fact, as I put on the record in the defence committee and I will not put it on the record here but will merely refer to it, the amount spent on equipment by this government in the past four years has been smaller than has been spent by the government of which I was defence minister in any of the years that we were in office. It was also a smaller percentage of the total amount than the money which we devoted to equipment.

In other words, the minister in effect has done the exact opposite of what he has been saying during the past four years he was going to do, namely to save money in administration in personnel and put it into equipment and forces. The amount of money spent on equipment, therefore the amount of new equipment supplied, has been reduced both quantitatively and as a percentage of the total defence budget, and the cost for administration and personnel has constantly gone up.

There are two or three specific matters on which I should like to get some answers. The minister mentioned with great pride that recruiting had improved. He said that we now have in the forces 105,792 people as of May 31. He did not tell us, and this has been the case every time that recruiting and the size of the services has been under discussion, how many people had left the services during that same period. In particular, he did not tell us how many of the 105,000-odd are actually people on terminal leave. The figure at that time was 104,000 to 105,000 people in the armed forces, but 1,500 or more of those were actually out of the services on terminal leave. They were still drawing pay because one of the provisions is that when a man leaves he draws pay for up to six months, depending on how long he has been serving. However, these people were counted as part of the total figure. I have no doubt that around 1,500 or 2,000 would be included in the 105,000-odd. Until we are given the figures for the discharges during the same period for which the minister gave the recruiting figures, in other words the number of people on terminal leave, we will not know what the correct situation is.

I should like to ask next what the situation is with regard to the four new destroyer escorts which are supposed to be provided for the navy. The minister has spoken in the last year and a half to two years about the building program. Whenever he speaks about the equipment which will be supplied to the services he always mentions this subject to try and create the impression that a great deal of equipment is being secured. However, in spite of the length of time that he has been talking about these four new destroyer escorts, up to date nothing definite has been done about them so far as we have been able to determine. I think an order was placed for some of the propulsion equipment, but we would like to know when the first keel is to be laid. When will a start be made on these destroyer escorts? It would probably take in the neighbourhood of three years from the time the keel is laid before one of these vessels can become operational. The minister having scrapped the general purpose frigate program which I introduced in 1963, it means that we are already at least four years behind. From the look of things we will be at least five years late in even starting a ship replacement program, and it will be eight years before any of these naval vessels are delivered.

• (9:30 p.m.)

The minister mentioned the hydrofoil this afternoon and said that in spite of a fire that had taken place as well as other difficulties that had developed we would still proceed with the project. I should like the minister to give us the cost of this hydrofoil project over the past four years, and what the estimated total cost of the program will be. I also ask the minister when it is expected that the hydrofoil will be able to go into the water and actually undergo trials. I think it would be prophecy of the worst kind to try and prophesy when any of these craft will be in operation. However, I think we should at

least be given the details of what the cost has been and what the future of the hydrofoil project is expected to be.

One other matter I should like to ask the minister about, I do not know whether any of my colleagues have raised it or not, is this. There is a considerable amount of wonderment and disquiet in the services, I am led to believe, over the provision in the new defence act that for 60 days after that act is proclaimed members of the forces will be given the chance to retire from the armed services. I think the minister owes it to the members of the armed services, as well as to the members of this committee, to state in exact terms what the situation is in this connection.

I know that there are several other members who wish to say something, Mr. Chairman, and as it is now 25 minutes to ten I will conclude my remarks at this point. However, I hope that before the debate is completed the minister will answer some of the questions that have been asked.

Mr. Forrestall: Mr. Chairman, the remarks that I want to make tonight will also be brief. I ask the indulgence of the members of the committee if I touch on a number of matters rather than stay with one specific subject as others have done.

My first remarks are phrased in the form of a question to the hon. member for Vancouver Quadra. I simply ask the hon. member, since what he said earlier this evening was so exciting to him and the members of the government, why it was that they sent the navy to sea a few days prior to the provincial election in the province from which I come.

I suggest that if he is guilty of the charge that I level against him, all he has done by what he has said during this discussion of the estimates has been to give further emphasis to the point that has been made, not only by myself and other members in the chamber but by people outside the House of Commons. I refer to the necessity for serious and drastic changes in the armed services voting regulations, changes which would bring about for the armed services of Canada some degree of secrecy for their franchise. What the hon. member is doing when he stands up and recites the voting habits of the members of the armed services is simply indicating to the people of Canada their political affiliations, and I submit this is immoral and is wrong.

Another question I want to raise was touched on by the hon. member for Vancouver Quadra and the hon. member for Winnipeg South Centre, though they referred to it in different ways. It centres around the question of Canada's neutrality in the eyes of the world today. I had hoped that by the time the defence estimates came before this committee the evidence given to the external affairs committee at their third meeting would have been available to us, because during that meeting there was a rather interesting exchange between the members of the committee and one Mr. Charles Taylor, a very distinguished correspondent of the Toronto *Globe and Mail*.

I should like to paraphrase what he said in part in response to specific questions about the attitude of countries like mainland China to Canada because he was quite positive in his reply. He indicated to the members of the committee that if the government of mainland China thinks about Canada at all it is either in the context of agriculture or in the context of our being merely spokesmen for and representatives of the western point of view as expressed by the United States.

I suggest that in this world today we are not neutral. I do not see how we can be. I do not think it is going too far to suggest that it is a little immoral to declare that we are. It is wrong to suggest that we can try and impose on the world the idea that we are neutral, because we are not. We adhere to the principles of democracy as espoused and practised by western countries. We believe in peace. In what way are we neutral, Mr. Chairman?

I think it has been suggested that Canada can adopt some quasineutral role which can be expressed to the world in the form of some energetic contribution to peace keeping. If I may paraphrase what the minister said earlier this afternoon in his opening remarks, he said that Canada believes in and works consistently toward permanent peace keeping machinery for the United Nations.

This may be a desirable role, but I think that the vehicle the minister has chosen—that is, the preparation in Canada of that peace keeping machinery which would be used as the lead instrument and for the primary disposal of the United Nations—is perhaps a little grandiose in conception at this particular stage of our history.

I should now like to pass to other matters of concern and develop a little further some of the questions asked of the minister about the *Bonaventure*.

• (9:40 p.m.)

I am curious to know where we are to get a crew for the ship. I am more seriously concerned at the moment about other aspects, particularly about some of the details of the

cost of the half-life overhaul. If there is any misunderstanding, the minister should clarify who made the basic error in the half-life refit. Was the error made as a result of a fault in the specifications? What brought about the doubling of the contract figure? There is an indication that the figure may yet be tripled. Was the department at fault in writing the specifications? Was the fault in the tendering? Are the companies that tendered not qualified to tender for the half-life overhaul of the ship?

The minister has been asked where the crew for the ship will come from. It is interesting to note that in January the Royal Canadian Navy lost 220 members and gained 137; in February it lost 161 and gained 419—that is significant; in March it lost 160 odd and gained 290, and in April it lost 200 and gained 180. The over-all picture, so far as the R.C.N. is concerned, is not an encouraging one for the task of manning the vessel I have mentioned.

I am curious to know what government decision has been reached with respect to the four new destroyer escorts. I have been told on orders of the day that no decision has been given about the lead yard. My information is contrary to that, but the government will make its announcement in due course. I am curious about the savings to be effected under the systems that are contemplated by the government for the construction of two of these ships. It has come to my attention that the second class of yard in this race—and there are only three or four in Canada—will be asked to tender on both ships and not just on one. This is a serious matter and perhaps the government could say whether what is proposed is government policy. The government must always keep in mind that it is necessary for a commercial yard to maintain a balance of trades and skills. No commercial yard must be put into the position of having to abandon lucrative commercial work in order to raise the necessary force to tackle the vessels that the government wants. The minister should also take a moment or two to answer questions along these lines.

We have been told that since the unification bill passed through the mechanics of both houses and their committees, the efficiency of the armed forces has been operationally enhanced. How does one arrive at that conclusion in view of the fact we have lost 4,500 men and gained only 4,900. How efficiency has been enhanced is a miracle, and the minister has some explaining to do there.

[Mr. Forrestall.]

During his remarks he read into the record a chart that covered expenditures for the years 1963-64 up to the current estimates for the fiscal year 1967-68. He dealt with the expenditures that were made in the past, inflated those to current prices, and followed his concept through each of the years mentioned. He dealt with the actual expenses for each year and with the expenses for each year at the 1963-64 level.

This was an interesting academic exercise. But the hon. member for Calgary South dealt in committee with an earlier chart that had been prepared by the Department of National Defence. I do not think the people of Canada are particularly interested in academic exercises. Somebody, obviously, spent much time going down a long, straight road; unfortunately, he wound up in the water.

I will not prolong this point, but it is important for the people of Canada to understand what emphasis the department is placing on different expenditures for the current fiscal year 1967-68. As has been mentioned earlier by the co-chairman of the standing committee on national defence, we cannot do that at present. This matter, too, was referred to by the former minister of national defence. The truth of his remarks strikes me as obvious.

From looking at page 319 of the estimates and glancing down at the headings, mobile command, maritime command, and so on we cannot tell what the actual expenditures have been for naval operations, ground military operations or for tactical air operations. There is no way of sorting out the figures; nor can we determine what the Canadian taxpayer is contributing to our forces in Europe.

This morning, in the standing committee on external affairs, we found that items were dealt with that should properly have come under the estimates of the Department of National Defence. I refer to those items which come under section 1, subsection (d), under the heading "Miscellaneous Grants and Payments". During this morning's committeee hearing I found that two items of special interest were noted, namely, defence support assistance to non-NATO countries, $3.5 million, and defence support assistance to Greece and Turkey, $1 million. In section 2, subsection (a) of the same document under the heading "United Nations and its Agencies", we find that the UN emergency force is listed under an assessment of 3.17 per cent, plus a surcharge of 25 per cent; the actual dollar figure is $729,000, and the total is in the order of $5 million.

• (9:50 p.m.)

We have no way of knowing how many similar sums are spread around in these estimates. It is almost impossible to tell on the basis of the present form. It may be convenient for the department, and it may be that in time hon. members will become familiar with the system and know which items deserve concentrated attention. On page 318 we find a simple item of $61,196,000 opposite the word "Ships". Does this represent an allocation for the two lead ships in the new destroyer escort program? There is no way of knowing unless the minister can find a few minutes in which to enlighten us. The matter is of great importance to the area from which I come. The reference to armoured fighting vehicles is identifiable. Here is an item, "Aircraft and Engines". How much of this money will be spent on Trackers? How are we to identify the amounts spent on routine maintenance, minor overhauls, major overhauls of engines and airframes? How much will be spent in the maritime command? How can we find out from these estimates whether or not the government intends to replace any of these aircraft? What will happen to maritime air command when the Neptune is phased out in two years. The Argus is already well through its life. What about the Tracker, half of whose life is spent?

We have the estimates for 1967-68 before us but there is no way of determining whether the government has decided on replacements for these aircraft. Maybe this is not important to the people of Canada as a whole. But it is very important to the city of Dartmouth which through the general policy of this government has lost something in excess of a million dollars worth of payroll in the last three months. The mayor and the people of Dartmouth would be interested in knowing whether there is a future for *Shearwater*. What about the base consolidation program? It is difficult in these estimates to detect savings from the base consolidation program, yet we continue to hear rumours that further consolidations and movements are to be made. The question of *Cornwallis* has not yet been settled. The question of *Shearwater* has yet to be settled.

If the government is certain of its position it should make unequivocal statements of its intentions in these matters. These passing remarks must be true of mobile command, infantry brigade, air division, air defence command, air transport command, training command, materiel command and Canadian forces headquarters. It is not possible to tell from these estimates exactly where one stands, and in the absence of some explanation it is easy to see why some of us are concerned. It would have been better if these estimates had gone before the committee where they could have been dealt with in detail. This may not be possible for some time. Failure to bring these estimates before the committee may, as the co-chairman of the standing committee on defence suggested, constitute a disservice to the house. Moreover, as the hon. member also suggested, the way in which the estimates are presently set out may not be in accordance with the legal method. Whether this is the case or not, I am not sure it is really relevant. What is relevant is that no one in the opposition can draw any conclusions from these estimates except that a certain amount of money is to be spent in certain general areas. No explanation is given of what appears under the various headings.

There is one final point I should like to deal with, again not in any great depth. I do so in order to place on record the fact that there is continuing concern about it. Again it relates to the remarks the minister made when presenting his estimates. He announced that several new arrangements were to be introduced. The one which primarily concerns me has to do with the allocation of housing. It is all very well to make a broad statement, as he did. Certainly, the time has now come for a reassessment of the system used. But the minister surely has a responsibility to spell out proposals of this kind so that members of the armed forces may not be left in doubt as to what is meant. If this has already been done, I commend the minister for having done so. I suspect, however, that nothing has been done along these lines because recent communications I have had from service personnel indicate a continuing concern about what the government might do.

I see it is ten o'clock and I will so call it, if I may.

Progress reported.

BUSINESS OF THE HOUSE

Mr. MacEachen: Tomorrow we shall call the estimates of the Department of Labour, and if we finish them we shall carry on with the committee stage of the Cape Breton Development Corporation bill. On Monday it is proposed to call a supply motion—at least that is the present plan.

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

[*Translation*]

CANADIAN NATIONAL RAILWAYS—PROPOSED ELIMINATION OF CERTAIN STOPS IN LOTBINIÈRE COUNTY, QUE.

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I am deeply moved in speaking before such a vast crowd as honours me tonight by listening to the particularly important words I intend to say.

This problem concerns mostly the rural areas and is becoming an even greater concern in the wake of certain decisions taken by the C.N.R., which I consider arbitrary.

Far from me the thought of minimizing the immense services this company has rendered to the people of Canada, but it may happen that in some instances administrative decisions are unfortunate. This is the kind of case I should like to bring to the attention of this house tonight and to the attention of the parliamentary secretary of the Minister of Transport, the distinguished member for Kootenay East (Mr. Byrne) who, to my mind, often shows a marked superiority over his colleague for Kootenay West (Mr. Herridge).

Mr. Speaker, the C.N.R. has decided rather suddenly that passenger trains would no longer stop in the picturesque and lively municipality of Manseau, in the constituency of Lotbinière. One characteristic of Manseau is a very hard-working population.

When speaking of Manseau, I feel I should stress the importance of the achievements of the Savoie family, one of the wonderful French-Canadian famliies, which is a real honour for the people of the Lotbinière county and which has rendered this whole county, but particularly Manseau, services about which we will never hear enough.

I received recently a copy of a resolution passed by the municipal council of the village of Manseau, whose mayor is Mr. Télesphore Soucy. I also received a copy of a resolution passed by the municipal council of Saint-Joseph de Blandford and the parish of Manseau. The secretary-treasurer of these two municipalities, notary Normand Provencher, wrote to me in somewhat alarming terms precisely to call my attention to this very deplorable situation created by the elimination of the Canadian National stopover at Manseau.

After having consulted the stationmaster, Mr. Marquis—another prominent citizen who works devotedly for the good of his community—he told me this: "At Manseau, at least $500 worth of tickets are sold each month."

Now, Mr. Speaker, it is understandable in some respects that the C.N.R. would like to eliminate some stops for passenger trains in communities where it sells practically no tickets. But when, on the average, up to $500 worth of tickets are sold each month, I think that the C.N.R. has nothing to lose by stopping for a few moments to let passengers come aboard.

Whenever there are no passengers, the train could go right through. But, today, means of communications are sufficiently developed for the conductor of the train to be advised, some distance away, that a few passengers wish to board the train. Therefore, it would be quite fitting to reverse the decision, which I deplore this evening in this brief debate.

What burns me up most, Mr. Speaker, is the affront to rural areas. I quite understand that urban centres are numerically more important, but I feel that legitimate consideration would be shown our rural areas by keeping the stop system for passenger trains, in order to pick up passengers who live not necessarily in the town I am referring to, namely Manseau, but in neighboring villages. In fact, Mr. Speaker, the parishes of Sainte-Sophie-de-Lévrard, Sainte-Cécile-de-Lévrard, and Saint-Pierre-les-Becquets are beautiful municipalities which do us honour and which we are happy to have as components of the beautiful territory of the Lotbinière county.

The people who live in those municipalities, located a few miles away from Manseau, come to Manseau to take the train and go to Drummondville or Montreal. Therefore, this is useful not only for the people of Manseau but also for the surrounding communities.

In view of the somewhat arbitrary and quite sudden decision of the C.N.R., I think that I must share the sad feelings expressed by the mayors of Manseau and Saint-Jean-de-Blandford, by notary Provencher, by the secretary-treasurer of both municipalities, and by the station master, Mr. Marquis, by the Savoie family, in short, by all the others who are interested in the economic development of their area.

That is why, Mr. Speaker, with your indulgence, I request that steps be taken to rectify the situation.

[*English*]

Mr. Deputy Speaker: Order, please. I hesitate to interrupt the hon. member but his time has expired.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I want to assure the hon. member for Lotbinière (Mr. Choquette) that if I am superior to the hon. member for Kootenay West (Mr. Herridge), it is not by way of seniority.

Mr. Herridge: Are you suggesting it is on account of brains?

Mr. Byrne: The hon. member for Lotbinière has brought a very important question before the house and the Minister of Transport, and it appears at least to me that a constituency with such a distinguished member deserves something more than whistle stop communities. Some hon. member said to me, why does the hon. member for Lotbinière not go home. Another suggested that he did not think the hon. member had a home but lived in a bedroom on a Canadian National Railways train.

• (10:10 p.m.)

This matter has been brought to the attention of Canadian National Railways by the Minister of Transport (Mr. Pickersgill). I am sure the hon. member will understand that it is a matter for determination by the railway company itself, which after all has the responsibility for administering the railway and for the efficient operation of that undertaking. I am sure, also that the words uttered here this evening will be brought to the attention of the Canadian National Railways officials, and undoubtedly some action will be considered.

TELEVISION—NAPANEE, ONT.—REQUEST FOR APPROVAL OF CABLE FACILITIES

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, I bring a matter before the house this evening as a result of a question that I asked the Minister of Transport (Mr. Pickersgill), on Tuesday, June 20, regarding a request for approval of cable television facilites in the town of Napanee. My question appears at page 1713 of *Hansard*. It arises as a result of the application of Mr. Reginald C. Dawson of Napanee who made application to the Department of Transport on February 23 last for authority to establish and operate a commercial T.V. receiving service at Napanee, Ontario. According to a letter dated May 2 written to Mr. Dawson, his application has been rejected. I quote a letter received by Mr. Dawson from Mr. W. A. Caton, controller, radio regulations division of the Department of Transport. This letter, Mr. Speaker, exemplifies nothing but a complete bureaucratic run-around that has been given to my constituent and townsman. The letter reads:

> Your application dated February 23, 1967 for authority to establish and operate a land station performing a commercial broadcasting receiving service at Napanee, Ontario, has been considered in accordance with the announcement made by the Minister of Transport in the House of Commons on July 22, 1964.
>
> The Board of Broadcast Governors believes that the establishment and operation of a C.A.T.V. system at Napanee, Ontario, such as you propose, would inhibit the provision of alternative television service to the area.
>
> Policy problems relating to C.A.T.V. are receiving the attention of the government and it is expected that parliament will have an opportunity to consider this matter in due course possibly on the basis of amending legislation. In the circumstances, the minister does not propose to approve your application at the present time. This decision on your application at this time is without prejudice to your right to re-apply once this matter has been dealt with by parliament.
>
> Arrangements are being made to refund the deposit in the amount of $25 which was submitted in support of this application.
>
> Yours truly,
> W. A. Caton,
> Controller,
> Radio Regulations Division.

Mr. Speaker, it is readily apparent that this is an example of bureaucracy at its very worst. What inhibitions are they referring to in that letter? To what alternative television service are they referring? The town of Napanee has about 5,000 people and consists of approximately 2,000 homes. One C.A.T.V. system at Napanee could serve the municipality, and any enterprise that goes to the trouble of obtaining a franchise to instal cable along the streets would no doubt obtain most of the business from the householders who could be served.

Mr. Caton's letter also refers to an announcement made in the house by the Minister of Transport on July 22, 1964. Mr. Caton's rejection of this application simply hides behind the announcement made by the minister long ago, and uses it as a shallow and ill-founded excuse for not granting the application. I am sure the minister does not agree with this, but when we look back to what the minister said on July 22, 1964, we find that his announcement does not apply to this application at all. At that time the minister announced that they simply wanted to

make sure that an effective degree of Canadian ownership and control of C.A.T.V. installations was ensured. In the case at Napanee the applicant and his whole enterprise is 100 per cent Canadian. In fact, the announcement of the Minister of Transport on that day almost three years ago proclaims the lifting of the so-called freeze on the granting of C.A.T.V. applications. I quote some of the minister's words which can be found at the bottom of page 5799 of *Hansard* for that day:

> In announcing the lifting of the so-called freeze the government wishes to emphasize that it has no desire to regulate C.A.T.V. for the sake of regulation, but merely to the minimum extent deemed necessary to maintain the Canadian identity and character of broadcasting—

I contend, and I am sure the minister agrees, that a responsible applicaton, such as this one, from a resident of the municipality, especially an urban municipality, where cable facilities are economically and physically feasible, should be quite in order and that the federal Department of Transport has no right to withhold a franchise for these services providing the applicant and user of the services agrees to comply fully with the lighting and marking of his tower or mast so that it does not become a hazard to the rest of the nation by endangering the flight of aircraft.

The mayor of Napanee points out in this letter to the minister that other franchises have been granted in other towns in Ontario, and yet the Napanee franchise is refused for no good reason at all by one of our bureaucrats who uses a speech made by the minister three years ago as an irrelevant excuse for withholding this much needed service from the people of Napanee. I wish to quote the mayor's letter. It reads as follows:

> It has come to my attention that one of my citizens Mr. Reginald Dawson has presented an application to your board by which he is seeking to secure a licence or franchise to instal cable T.V. in our town of Napanee.
>
> During the last three years we have had several outside groups make contact with our council and public utilities with the idea of supplying us with this type of T.V. service, however nothing has been finalized, and we now have a local group headed by Mr. Dawson who are endeavouring to bring cable T.V. to Napanee. I might add that due to our town being located in a valley, regular T.V. reception is very, very poor and like all other growing municipalities we are anxious to have the best for our citizens.
>
> I note with interest that Smiths Falls, also Belleville in eastern Ontario and Fergus and Elora in western Ontario have been granted a licence to instal cable T.V.
>
> [Mr. Alkenbrack.]
>
> Therefore I sincererly hope that you will give your support to the application that has been presented to your department from citizens of the town of Napanee.
>
> Thank you, I remain,
>
> Yours very truly,
> Lorne A. Smart,
> Mayor of Napanee.

As has been pointed out by the mayor, much of Napanee lies in a hollow between the Roblin Hill escarpment on the east and south and Piety Hill which rises at the west end of the town. The highest land is south of the Napanee River and it precludes good television reception by way of the conventional household aerials.

Many of our townsmen would subscribe to C.A.T.V. when it is available and then many would probably abandon their unsightly aerials. This application should be granted with no further delay.

I am sure the minister agrees that now this franchise should be favourably considered and granted, and I respectfully request him to do so.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in representing the Minister of Transport (Mr. Pickersgill) I must take issue with the hon. member in his condemnation of one of our very capable civil servants, Mr. Caton. I feel quite sure that he believes the decision he has made was in conformity with the regulations. I am in no way taking issue with the right to contest the decision itself, but I do feel that our civil servants are of a high calibre and that they make every effort to base their decisions on the regulations promulgated by parliament or by order in council.

However, I understand the hon. member has raised this question with the minister privately and the minister is looking into the matter. I understand there may be an amicable decision in respect of this application.

AGRICULTURE—CONSIDERATION BY DOMINION-PROVINCIAL CONFERENCE OF EXPROPRIATION PRINCIPLES

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I trust I will behave rather differently from the hon. member for Lotbinière (Mr. Choquette) and will stop at the right whistle.

The question of the expropriation by governments or their agencies, both federal and provincial, is of increasing concern to farmers across Canada. So far as I am concerned, I can speak for many farmers in my constituency who have suffered from the present law

and present procedures with regard to the expropriation of land for highways, for power lines, for gas pipe lines and for other purposes required by the government in question, whether it be federal, provincial or municipal. They have also suffered to a great extent during the last couple of years from expropriations necessary under the terms of the Columbia River treaty.

• (10:20 p.m.)

This matter is of increasing concern to farmers across Canada, and on that account a special meeting of the Canadian Federation of Agriculture was held in May to consider all aspects and to study the question carefully. I might say that in no place in Canada, either under federal or under provincial authority, do procedures and principles which are followed in connection with the expropriation of lands and of rights to the use of land give farmers an entirely fair break. It all depends on the government or the agency that is expropriating the property. In some cases there has been little cause for dissatisfaction, but in the majority of cases, in my experience, injustice has been done to many people.

This meeting was called because the overall bargaining position of the farmer is weak compared to the bargaining power of the authority that wishes to take over his property. As a result of this meeting, the following memorandum regarding a solution to the problem was passed which reads as follows:

> Experience of those at the meeting, it was noted, indicates that the expropriated property-owner in the city similarly receives less than justice, as often as not.
>
> The solution to the problem, the meeting concluded, must be found in:
>
> Effective united action by affected property-owners in cases of expropriation. Without the strength that comes by uniting together the small property-owner is in a well-nigh hopeless position of weakness.
>
> Improved legislation that will spell out the rights of the property-owner in detail, and provide fair and economical means for ensuring that these rights are realized through adjudication and legal processes.
>
> Improved service to property-owners by their farm organizations and, especially, stepped up programs of information to farmers about their rights under the law.

Then the meeting went on to recommend:

> —that in the near future the Canadian Federation of Agriculture follow up its oft-repeated demand for improved federal legislation with detailed legislative proposals to government for consolidation and amendment of present federal legislation dealing with expropriation.

The meeting also discussed some other questions. It was on this account that I asked my question of the Minister of Agriculture on June 12 which Your Honour ruled out of order.

It is very interesting to note that the parliamentary secretary who is going to reply to my appeal is, I think, sympathetic to my proposals. He graduated from the Ontario Agricultural College some 30 years or more after I entered the institution, so I feel I should get a very sympathetic response to my appeal. I have been informed by a former graduate of the college that the parliamentary secretary has voiced very strong opinions on this question to local farmers organizations at a time when he was a county representative in the province of Ontario. I feel therefore I really have an ally this evening, and I trust that when he replies he will demonstrate this by his proposals and suggestions.

On June 12, I asked the following question:

> Mr. Speaker, I wish to direct my question to the Minister of Agriculture. In view of the concern of the Canadian Federation of Agriculture with the procedures and principles followed in connection with the expropriation of land, would the minister inform the house if the views of the Canadian Federation of Agriculture on the question of expropriation will be referred to the next dominion-provincial conference on agriculture?

I asked that question because I think that a dominion-provincial conference would be an excellent medium in which to thrash out questions between federal and provincial governments and get, shall I say, some order in dealing with this situation which is of great concern to the farmers all across Canada.

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I wish at the outset to express my appreciation to my fellow alumnus for bringing this important matter to the attention of the house. By way of introduction, I may say that the hon. member for Kootenay West really has no idea what an important role he has played in shaping my career. He has made reference to the fact that we are graduates of the same institution. As a matter of fact, when I was thinking of attending a university or college I looked round to decide which one I should attend, and one of the measures by which we appraise a university is by the calibre of its graduates. So I thought of the Ontario Agricultural College, noted that Hon. John Bracken was a graduate of that college, a man who has performed very outstanding service to this country and in this parliament. I also noted that His Excellency the Lieutenant-Governor of Alberta was a graduate and that the noted writer and economist Mr. Galbraith had been a graduate as well as the hon. member for Kootenay West.

So that it was very easy for me to decide to go to the Ontario Agricultural College and to follow in the footsteps of my learned and distinguished colleague from Kootenay West.

The hon. member asked a very important question, important not only to him and me but also to the farmers and other residents across this land. I may say that the short answer to his question is that I do not know whether this matter is going to be referred to the federal-provincial conference or not.

I am able to tell him, however, that this matter of expropriation is of very deep concern to the government of Canada, as well as to hon. members of this house. The government and the Minister of Agriculture know of the great concern that the Canadian Federation of Agriculture has in this matter.

I am also permitted to say that this subject is being given careful consideration in the hope that a reasonable approach and a logical conclusion may be brought about.

It being 10.30 p.m. the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, June 23, 1967

The house met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKERS OF PROVINCIAL LEGISLATURES

Mr. Speaker: Order. I should like to bring to the attent on of hon. members the presence in the Speaker's gallery of a distinguished group of Speakers of the provincial legislatures. They are in Ottawa to attend the Canadian area council meeting of the Commonwealth Parliamentary Association.

Some hon. Members: Hear, hear.

DOMINION DAY

FURTHER DETAILS CONCERNING CENTENNIAL CELEBRATION IN PRESENCE OF HER MAJESTY

Mr. Speaker: May I be allowed briefly to provide hon. members with further details concerning the ceremonies to be held on the morning of July 1 on parliament hill. To deal first with the matter of seating accommodation members may have observed the construction work go ng on at the foot of the main steps of the buildings. The section of stands being erected on the east side of the central platform will provide reserved seating for members of this house. A similar structure on the west side will accommodate the Senate. Because of the parliamentary character of this occasion, the wives of members will not be seated with their husbands, but in a reserved area immediately in front of the central platform on which the ceremony will take place.

I have been asked to suggest that it is of particular importance that members, and indeed all those in attendance, be in their seats by ten o'clock in the morning. The Prime Minister, the right hon. Leader of the Opposition and the cabinet will proceed from the centre block in a body at 10 a.m. to take the places reserved for them. At 10.05 a.m. the Speaker's procession will leave this building, followed some minutes later by the Speaker and officials of the other place. Her Majesty the Queen and His Royal Highness the Duke of Edinburgh will arrive a few minutes before 10.30 a.m.

At 10.30 a.m. an interdenominational service of thanksgiving and dedication will begin. Following the service Her Majesty will proceed to the dais which is to be erected on the central platform. Addresses will then be read on behalf of the two houses by their respective Speakers and presented to the Queen, who will reply. At the end of the ceremony the Queen and her entourage will descend the steps at the south end of the central platform and move in procession down the broad walk to the centennial flame.

• (11:10 a.m.)

After the royal party has left the grounds of parliament hill the speakers, accompanied by the officials of the two houses, will return in procession to the centre block followed by the Prime Minister, the former prime minister and the cabinet. Members of the two chambers will then leave informally.

Reserved seat tickets will be sent to members and their wives on Tuesday, June 27.

[*Translation*]

COMMITTEES OF THE HOUSE

SECOND AND THIRD REPORTS OF STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Second and third reports of standing committee on transport and communications in both French and English—Mr. Joseph Macaluso (Hamilton West).

[*English*]

SECOND REPORT OF STANDING COMMITTEE ON FINANCE, TRADE AND ECONOMIC AFFAIRS

Mr. H. E. Gray (Essex West): Mr. Speaker, I have the honour to present the second report of the standing committee on finance, trade and economic affairs, prepared as usual in English and in French.

[*Translation*]

With that report, we are referring back to the house the estimates of the Department of Trade and Commerce, including those of the Dominion Bureau of Statistics.

[*Note: Text of the foregoing reports appears in today's Votes and Proceedings.*]

Canada and U.S. Ministerial Meeting

[*English*]

TRADE

STATEMENT BY MINISTER FOLLOWING CANADA-U.S. MINISTERIAL MEETING

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, with the co-operation of the house, it was possible for a number of my colleagues and me to attend in Montreal this week the eleventh Canadian-United States ministerial committee on trade, and economic affairs.

The members of the United States delegation were: the Secretary of the Treasury, Mr. Fowler; the Secretary of Agriculture, Mr. Freeman; the Secretary of Commerce, Mr. Trowbridge; and Under Secretary of the Interior, Mr. Luce; the Under Secretary of State, Mr. Solomon; the Chairman of the President's Council of Economic Affairs, Mr. Ackley; and Ambassador Butterworth.

The Canadian delegation was comprised, in addition to myself, of the Ministers of Finance (Mr. Sharp), Industry (Mr. Drury), Energy, Mines and Resources (Mr. Pepin), Agriculture (Mr. Greene), the Governor of the Bank of Canada, Mr. Rasminsky, and Ambassador Ritchie. The parliamentary secretary to the Secretary of State for External Affairs (Mr. Macdonald) was also present at the meetings.

It was a matter of regret that due to the emergency session of the United Nations general assembly in New York, it was not possible for Mr. Paul Martin and the Secretary of State, Mr. Dean Rusk, to attend and to preside over these meetings. The United States delegation was most ably led by the Secretary of the Treasury, Mr. Fowler. In Mr. Martin's absence, I was privileged to lead the very good Canadian delegation.

At this point I beg leave to table in English and French a copy of the communiqué, and if it is the wish of hon. members I suggest that it be printed as an appendix to *Hansard*, as has been the practice in previous years.

Mr. Speaker: Has the minister leave to table these documents? Is it the wish of the house that the documents be printed as an appendix to *Hansard*?

Some hon. Members: Agreed.

[*Editor's Note: For communiqué above referred to, see Appendix.*]

Mr. Winters: The most impressive and significant aspect of this meeting was without doubt the forward looking nature of the discussions and the spirit of cordiality and of genuine good will which prevailed. These discussions have proven fruitful and will be of benefit in our day-to-day continuing contacts with the United States government over the weeks and months ahead. This I personally believe is their great merit.

As will be apparent from the communiqué, the committee considered a wide range of important topics of interest to Canada and the United States in the trade, economic and financial fields. These included broad policy issues of a multilateral character in which both our countries have a vital stake and important responsibilities. In addition, a major portion of our discussions was concerned with subjects of special interest in our bilateral relations.

In the forward looking context of the meeting, emphasis was placed on the opportunities for trade which will be presented by the results of the Kennedy round and we agreed to work closely together in studying further trade liberalization opportunities.

In a number of important areas, including co-operation in wheat marketing policies and food aid, the committee decided to strengthen the consultative arrangements between the two countries. On other issues where there are outstanding problems between Canada and the United States, each side had an opportunity to explain its case fully and frankly and to explore the possibilities of early accommodation.

I need not review at this time the many issues that were jointly examined, and which are outlined in the communiqué. I would, however, refer to one or two particular topics.

As will be seen from the communiqué, a very close identity of interest was recorded in the matter of the approach of the two countries to the problem of international liquidity and the need for general agreement on a contingency plan for reserve expansion.

We had a most useful exchange of views on the important question of foreign investment in Canada. This meeting provided a further opportunity for Canadian ministers to reemphasize the government's intention to maintain a favourable climate for foreign investment in Canada, while encouraging increased Canadian participation in the control and ownership of our economy.

Special attention was also devoted to the important question of energy resources between the two countries. The United States

cabinet members gave us a welcome re-affirmation of United States recognition of the important role of oil in our over-all trade and economic relationship, and of their continued interest in enabling Canada to share in the growth of the United States market.

Canadian ministers again took the opportunity to mention the concern felt in Canada about the extra-territorial application of the laws of other countries. At the same time we noted the readiness of United States secretaries to use their best endeavours to resolve particular problems in this area if and when they arise.

This meeting of the ministerial committee will, I am sure, contribute significantly to the atmosphere of co-operation and mutual understanding within which we can best hope to resolve the complex and difficult problems which from time to time arise between the world's two largest trading partners.

May I say that it was a particular pleasure to welcome United States cabinet members and their wives to the great city of Montreal and to have them visit Expo '67 in this centennial year. I wish in conclusion to thank my colleagues and the large number of Canadian officials who participated both in the preparatory work and in the meeting itself for their splendid co-operation.

Hon. Michael Starr (Ontario): Mr. Speaker, I am sure that the Minister of Trade and Commerce (Mr. Winters) who led the Canadian delegation is relieved to know that this meeting is over. It is difficult to make any particular comments about the details because the minister has given us an over-all report on the various subjects the two delegations discussed.

I should just like to make an observation to the effect that I believe the Minister of Trade and Commerce is modest in some respects when he says that the United States delegation was ably led, and then also reported that he led the Canadian delegation. I think he must have led the Canadian delegation as ably as the United States representative led the delegation from that country.

Some hon. Members: Hear, hear.

Mr. Starr: I was struck by the words the minister used when he said that the meeting was held with cordiality and good will. From reading the press reports I notice that the Americans were really put out, and said so in no uncertain terms to the Canadian delegation, about Canada's action in respect of the Mercantile Bank. I can only hope that the Minister of Trade and Commerce and the other members of the delegation did not allow themselves to be browbeaten by the United States delegation.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, it is to be hoped that at some point the minister will enlighten the House of Commons and the Canadian people concerning just exactly what was accomplished at this meeting in Montreal, because he certainly has not told us this morning. He told us it was a very cordial meeting and that a number of matters were discussed. We were not even given a hint as to the result of the discussion.

Mr. Knowles: He spoke like Paul Martin.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I may say that the minister is an able pupil of the Secretary of State for External Affairs (Mr. Martin), and manages to do the same thing in fewer words.

I am interested in the comment he made about the energy resources of our two countries. Is one to take from that that the United States has some energy resources which they are prepared to contribute to a common pool? If so, I should be interested to know what they are. I stress this, Mr. Speaker, because of some disturbing reports and statements which have come from the United States of America, and which show that many people in that country regard the natural resources of Canada as much theirs as they are those of the Canadian people. I do not think the people of Canada would be prepared to accept that.

• (11:20 a.m.)

I gather that the two countries are still concerned about the problem of international liquidity. Perhaps the minister may be able to help his colleague, the Minister of Finance, (Mr. Sharp), in persuading some recalcitrant members of the Big Ten that there is a necessity for action.

I wish to conclude with this: I am concerned about the indication in the minister's statement that the principal concern of this government is in the export of raw materials from the Canadian economy. My concern was not lessened by an answer the minister gave me in committee a few days ago. I asked him if it was not the primary responsibility of the

Canadian government to ensure the development of the Canadian economy, and the minister replied that that was one of their concerns, but not their primary concern. This gave me cause for grave misgivings.

I hope that at some time we shall be told specifically what was agreed on between the Canadian government members and their United States counterparts.

EXTERNAL AFFAIRS

MIDDLE EAST—POSSIBLE ACCEPTANCE BY CANADA OF ARAB REFUGEES

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Prime Minister. Is there any authenticity to the report which appeared in the *Globe and Mail* this morning that Canada has agreed to accept 40,000 Arab refugees? If this report is correct can the Prime Minister enlarge on the matter. Can he tell us whether Canada will bear the full cost of this humanitarian action.

Mr. Speaker: Order, please. As the hon. member knows, he cannot ask about the accuracy of a press statement. He can ask a question directly. I am sure we can assume that the question has been asked directly.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think I may be permitted to assume that the question was asked of me directly. I must answer it by saying that there is no foundation to the report on which this question was based.

Mr. Starr: A supplementary question, Mr. Speaker. Should the government feel motivated to take action such as this will the Prime Minister assure us that first, before any decision is made, the matter will be brought before the House of Commons for its deliberation?

Mr. Pearson: Certainly, Mr. Speaker, the house will have an opportunity to discuss an important matter of this kind. I do not wish to give the impression that any decision on this matter of taking refugees is imminent. For one thing, the Arab states take a very unfavourable view toward other countries receiving refugees from that area, at this time. The matter must be arranged not only in co-operation with the government of Israel, where the refugees—or where a lot of them at least—are at the present time, but with the governments of the Arab states themselves.

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

The response of Arab refugees outside that area can only be one factor in dealing with the refugee problem. But there is no likelihood of a decision being made immediately with regard to this matter; it will require a great deal of negotiation on an international basis.

Mr. Starr: Would the government give an assurance that no decision will be made before the subject has been debated in the House of Commons?

Mr. Pearson: If the House of Commons were not sitting, and agreement was reached between all concerned that this would be an important step in dealing with the refugee problem, I am sure the hon. member would wish us to play our part. But I can assure him that if the house is sitting no decision would be reached until hon. members had been consulted.

Mr. W. B. Nesbitt (Oxford): Did I hear the Prime Minister correctly as saying that the governments of the Arab states will be consulted before any Arab refugees who are at present under the jurisdiction of Israel could come to Canada? Do not the people themselves have some say in the matter?

Mr. Pearson: Yes, but if refugees are in Arab territory, surely it is normal for the Arab states to be consulted and many of these refugees are there at the present time.

Mr. Nesbitt: Would the government give consideration to means of making sure that any refugees of this nature who might come to Canada would be given adequate training immediately after their arrival, so that they would not face unemployment?

Mr. Pearson: Of course, if as part of an international plan we agreed to accept a quota of refugees of this kind we would have to take the responsibility for making it possible for them to take their places in Canadian society. This would require training in a great many cases.

EXTERNAL AID

MIDDLE EAST—FURTHER CONTRIBUTION TO UNRWA

On the orders of the day:

Mr. David Lewis (York South): I have a related question for the Prime Minister. In view of the serious plight of refugees in the middle east and the announcement in the United Nations general assembly a couple of days ago that the United Kingdom has made an additional contribution of, if I remember

correctly, £500,000 or $1.5 million to UNRWA, is the government giving consideration to making an additional Canadian contribution either in money or in kind to help deal with the immediate emergency in the Middle East?

Right Hon. L. B. Pearson (Prime Minister): Yes, it was discussed yesterday by the cabinet and we have agreed to make an additional contribution in the light of the report which has just been received from the United Nations director-general of UNRWA outlining the immediate needs and perhaps the longer range requirements. I would prefer it if this matter were taken up on Monday when details of what the contribution is to be will be available.

GRAIN

WHEAT—FURTHER MEETINGS TO IMPLEMENT KENNEDY ROUND

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): I should like to direct a question to the Minister of Trade and Commerce. It relates to the meeting of the international wheat council held in London on June 19 and 20. Can the minister inform the house what arrangements were made for future meetings to implement the decisions of the Kennedy round?

Hon. Robert Winters (Minister of Trade and Commerce): I thank the hon. member for giving me notice of his intention to ask me this question. It was agreed that all members of the United Nations and its specialized agencies, whether or not they are members of the international wheat council, will be invited to participate in the negotiation of a new agreement. The new agreement will incorporate the provisions of the memorandum of agreement included in the Kennedy round. The international wheat council will convene the conference in co-operation with UNCTAD. The conference will be held in Rome at FAO headquarters and commence on July 12.

TRADE

FISHERIES—REDUCTION OF TARIFF TO ASSIST INDUSTRY

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I have a question and I am not sure whether it should be directed to the Minister of Trade and Commerce or to the Minister of Fisheries, but perhaps the proper minister will endeavour to answer it. In view of the marketing problems presently faced by the Canadian fishing industry, brought about by the flooding of the American market by other countries in search of hard currency, have any representations been made to the United States government to reduce the tariff wall on Canadian processed fish, which would thereby help the Canadian fishing industry?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I believe I could answer that question. Yes, there have been representations made. This was one of the subjects discussed in the Kennedy round of negotiations, and I think the hon. member will find that some action will result.

CAPE BRETON DEVELOPMENT CORPORATION

INCLUSION OF MCBEAN COLLIERY IN LEGISLATION

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. Is he in a position today to make the statement that the right hon. Prime Minister yesterday suggested he might make today, with reference to the representations he has been receiving from members of the house and the numerous telegrams he has been receiving from the locals of the United Mine Workers of America union with regard to the inclusion of the McBean colliery in the Cape Breton Development Corporation?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I can very rapidly repeat a few of the things I have already said and add a few more. The nationalization of the Dosco coal mines on Cape Breton Island is justified by the economic and social situation on the island, a situation which is of national concern. Pictou county, where the McBean colliery is located, is not in a similar situation. The economic and social situation there is not one of national concern. As a matter of fact in the last two or three years the Atlantic Development Board has made grants worth $14 million to that area, $12 million for a power plant at Trenton, $1.2 million for industrial development in the Stellarton area, $300,000 for water supply at the industr al park, $400,000 for general industrial building—

Mr. Speaker: Order, please.

Inquiries of the Ministry

Mr. Pepin: The area development agency—

Mr. Speaker: Order, please.

Mr. Muir (Cape Breton North and Victoria): Mr. Speaker, I realize the minister got carried away with the sound of his own voice, but as a supplementary question may I ask him if he is aware that the unemployment rate in all the Atlantic provinces is twice the national average, despite any statement he may make?

Mr. Speaker: Order, please. The hon. member's question is argumentative.

AIRPORTS

SAINT JOHN, N.B.—POSSIBILITY OF MEETING WITH CITY OFFICIALS

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, may I direct a question to the Minister of Transport. Further to the still controversial matter of the sale of the Saint John airport has the minister been able to arrange a meeting with the city of Saint John officials and, if so, when and where?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I regret to say that I have not yet been able to make these arrangements, but I am hoping to do so at a very early date. Perhaps I might be permitted to say that the government wants to take over this airport and, as I indicated the other day, there is no thought of any change in basic plans.

Mr. Bell (Saint John-Albert): As a supplementary question, in view of the fact that this matter has been approved in principle and, if it is delayed, will work a tremendous hardship on the city of Saint John and even on the whole province of New Brunswick, will the minister recommend that this small amount be included in the supplementary estimates?

Mr. Pickersgill: I would think, sir, I would be transgressing the rules of the house if I attempted to answer that question in any way.

WATER RESOURCES

SUGGESTED STUDY BY ENGINEERING BODY

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. My question is based on a decision by an important group of Canadians who are concerned about Canada's natural resources. Has the minister received a brief from the Association of Consulting Engineers of Canada urging a 15 year study of Canada's water resources, estimated to cost about $200 million? If so, would the minister inform the house of his response to these interesting proposals?

Mr. Speaker: Order. I fail to see the immediate urgency of the question. I suggest to the hon. member that it ought to be placed on the order paper.

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

SUGGESTED SHORTAGE OF BILINGUAL OFFICERS ON PARLIAMENT HILL

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a question to the Solicitor General as minister responsible for the R.C.M.P.

In view of the numerous complaints from Quebec citizens visiting parliament hill that members of the R.C.M.P. on the hill cannot speak a word of French nor give information in French, could the minister investigate and insist that the R.C.M.P. commissioner station bilingual officers on the hill?

Mr. Speaker: The hon. member has made representations which will undoubtedly be noted by the minister, but I do not think the question in its present form is in order.

Mr. Grégoire: Mr. Speaker, may I rephrase my question so that it will be in order?

Mr. Speaker: Hardly.

CANADIAN CONSTITUTION

POSSIBILITY OF PROVINCIAL GOVERNMENT NEGOTIATING WITH FOREIGN POWER

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I understand that the hon. member for Lapointe has not yet swallowed his parking ticket.

I wish to put a question to the Minister of Justice. I would like to ask him, as a result of the speech delivered yesterday by a member of the provincial cabinet, Mr. Marcel Masse, of Quebec, stating that he would ensure through constitutional provisions the power of

Quebec to negotiate in the field of external affairs, if he can tell the house whether there have been some negotiations with the provincial government to that effect and how the government intends to react following such a statement?

Hon. P. E. Trudeau (Minister of Justice): Mr. Speaker, I have not seen the text of the speech referred to by the hon. member for Lotbinière. If his report is correct—and I have no reason to doubt it—I am happy to note, on behalf of the government the admission that if the province of Quebec were to operate on the international level, this would require an amendment to the constitution, that is to say the present constitution does not allow such activities.

I have not received any representations asking for such an amendment, Mr. Speaker. If I do, I shall look carefully into them and I shall be glad, at the same time, to suggest to the provincial governments that the federal government would readily take over several matters coming under provincial jurisdiction as the central government is in a better position to deal with them.

[*English*]

TRADE

CANADA-U.S. MINISTERIAL MEETING—LIQUIDITY IN RESERVES

On the orders of the day:

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce arising out of his statement on the joint United States-Canada ministerial meeting and on liquidity in reserves. I am wondering if this is a special reserve set up as to the balance of payments between Canada and the United States. Is it something to bolster the International Monetary Fund, and is it in accordance with the principles set forth under that fund?

Mr. Speaker: Order. I doubt if this question is in order at this time.

CANADA-U.S. MINISTERIAL MEETING—RELAXATION OF IMPORT QUOTAS ON CANADIAN AGRICULTURAL PRODUCTS

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce based on the report he gave this morning. Was there any indication given by the representatives from the United States that increased imports from Canada would be possible by eliminating or relaxing their import quotas, especially as they affect agricultural products?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, we did, for example, have quite a lot to say about the import restrictions on cheddar cheese. The Minister of Agriculture made quite a case of that, and our counterparts in the United States have agreed to give that item favourable consideration. We discussed the broad sweep of agricultural products and the desire on both sides to have free trade. We also discussed closer consultations in order to prevent disturbing each other's market unduly, for example, by the early marketing of products that come on to the Canadian market before the appropriate season in Canada. There were other problems of that character, all of which were reviewed on a very friendly and constructive basis.

EDUCATION

WILLINGNESS OF GOVERNMENT TO SUPPORT NATIONAL COUNCIL

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to address a question to the Secretary of State. It concerns the proposed national council of education. Could the hon. lady advise the house whether she and her government are ready and willing in every way to support this proposed national council of education?

Hon. Judy V. LaMarsh (Secretary of State): Well, Mr. Speaker, the proposal to set up a national office has been by the provincial governments only, and up to this date no approach has been made to the federal government. We believe, however, there is much to be gained from such an office, and will be very happy and eager to assist in any way we can.

HEALTH AND WELFARE

MEDICARE—REQUEST FOR ASSURANCE AS TO IMPLEMENTATION OF PLAN

On the orders of the day:

Mr. William Dean Howe (Hamilton South): Mr. Speaker, in the absence of the Minister of National Health and Welfare I should like to ask the Prime Minister whether he can assure the house that the medicare program will carry on as planned in spite of statements made by doctors at the annual meeting of the C.M.A., and the fact that Dr. Dalgleish, who became famous at the time of the advent of medicare in Saskatchewan, is to take office as president on July 1, 1968?

Inquiries of the Ministry

Mr. Speaker: Order, please. I would think the question as asked is much too general in scope and should be placed on the order paper.

FINANCE

CARTER COMMISSION RECOMMENDATIONS—REQUEST FOR STUDY BY PARLIAMENTARY COMMITTEE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the right hon. Prime Minister in the absence of the Minister of Finance. In view of the rejection by the three prairie province premiers of the Carter commission recommendations, will the government undertake to place those recommendations before a joint parliamentary committee before any action is taken by the Minister of Finance on any part of that report?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not understand that these three premiers have rejected all the recommendations of the Carter commission. I listened to their spokesman, the premier of Manitoba, on television last night, and I received a telegram this morning from him on behalf of the three to the effect that they view with concern the apparent haste with which the federal government proposes to implement the recommendations. I do not know where they got any indication that there was going to be any undue haste.

An hon. Member: Just imagine that.

Mr. Pearson: Perhaps they assumed, and this would be a normal assumption, that there might be haste because this government always acts quickly on these matters.

Mr. Starr: That was during the 60 days.

Mr. Pearson: If they have any view that we are going to act with undue haste on this matter, there is no ground for such fears.

HOUSING

SUGGESTED CHANGE IN FORMULA TO DETERMINE MORTGAGE RATE

On the orders of the day:

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Labour, who is responsible for housing. In view of the probable increase in N.H.A. mortgage rates from 7 to 7½ per cent, and in view of the serious decline in housing starts so far this year, does the government intend to change the formula of determining N.H.A. rates to encourage an increase in housing starts to meet the housing crisis today.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, in the first place the premise on which the question is based is completely wrong. There has been an appreciable increase in housing starts this year, notwithstanding the fact that housing starts were at a low level during the first quarter. We are already well ahead of last year and the increase in starts is continuing. So far as the interest rate level on N.H.A. or guaranteed loans is concerned, this in my opinion, represents one of the factors that has contributed to the substantial increase in starts during recent weeks.

Mr. Gilbert: Will the Minister of Labour agree to refer the estimates of C.M.H.C. to the standing committee on housing, urban development and public works?

Mr. Nicholson: No, Mr. Speaker.

FORESTRY

LIABILITY RESULTING FROM FATAL ACCIDENT AT LABORATORY

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, in the absence of the Minister of Forestry and Rural Development, I should like to address my question to the acting minister. Has the minister caused an investigation to be made into the recent fatal accident at the forestry department research laboratory to determine government liability, if any?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I believe that investigation is going on. I will bring the hon. member's question to the attention of the minister and he may have something to say about this on Monday.

HOUSE OF COMMONS

SUGGESTED SURVEY OF ELEVATOR SERVICE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I am not sure whether I should direct this question to Your Honour or to the Minister of Public Works, but I hope you will not consider it to be a theoretical one. When this house takes recess will Your Honour or the Minister of Public Works, whoever has jurisdiction, have an investigation and survey made in

respect of the elevator system in this house? I think most hon. members and the staff of the house would agree that during the week many hours of valuable time are lost because of this system, and that something should be done to determine how to improve it.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I have taken note of the hon. member's question.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I have a question I should like to address to the Minister of Manpower and Immigration or, in his absence, which I regret sincerely, to his parliamentary secretary. Since that hon. gentleman does not appear to be in the house perhaps I should address it to anyone who is acting on his behalf. Twice during the past week I have been assured by the parliamentary assistant that everything is wonderful in Greece, so wonderful in fact that a Greek shepherd does not want to return to that country because everything is so beautiful there. May I ask whether that is the same Greece which on Wednesday of this week published an act which gives the army-backed government the power to sack university professors at will, and is it the same Greece which has not to date restored the freedom of the press?

Mr. Speaker: Order, please. In my opinion this is not a question, it is a speech. The hon. member knows that the rules do not permit members to make speeches at this time, however short they may be.

[*Later:*]

Mr. Ralph Cowan (York-Humber): Mr. Speaker, this question is of some urgency. I would like to ask the Minister of Manpower and Immigration whether the Greek shepherd is being deported this evening in order to make room for a Greek flying in here next Thursday evening?

IMMIGRATION

SUGGESTION THAT MEETINGS OF JOINT COMMITTEE BE RESUMED

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, in the absence of the house leader and the Minister of Manpower and Immigration, I should like to ask the Prime Minister whether he will speak to one or other of his colleagues, asking them to promote an organization meeting of the joint committee on immigration, so that the committee can make plans to report on the various suggestions as to changes in immigration laws which were made by the committee last session?

Right Hon. L. B. Pearson (Prime Minister): I will be very glad to do that, Mr. Speaker.

HOUSE OF COMMONS

CENTENNIAL TELEVISION SERIES ON PROCESS OF PARLIAMENT

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to ask the right hon. Prime Minister whether he can tell us what progress if any has been made on the C.B.C.'s intention as a centennial series to film the working of parliament?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I speak subject to correction, but I think this matter at the moment is in the hands of the house leaders for discussion with Your Honour.

[*Translation*]

LABOUR RELATIONS

INQUIRY AS TO REPORT OF C.L.R.B.

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a question to the Minister of Labour.

Can the minister tell us whether he received recently the report of the Canada Labour Relations Board concerning the natural bargaining units and does he intend to release that report soon?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): No, Mr. Speaker, I have received no such report.

LABOUR CONDITIONS

SYDNEY, N.S.—GOVERNMENT ACTION FOLLOWING LAY-OFFS AT STEEL PLANT

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the Minister of Industry. I should like to ask that hon. gentleman what encouraging news he may have this morning for the 1,100 men,

and their families, who have been laid off at the Sydney steel plant in the last few months. What action does the government contemplate to assist these people who have problems only the unemployed can appreciate?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think the Prime Minister undertook that the government would make a statement on this matter early next week.

LABOUR RELATIONS

REQUEST FOR SOLUTION OF STRIKE OF PACIFIC COAST FISHERMEN

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, my question relates to what definitely is an urgent matter. It is based on three phone calls I have had recently from Vancouver. Is the Minister of Fisheries still willing to use his good offices to bring the fishermen's strike on the Pacific coast to a satisfactory conclusion as soon as possible?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, my position in this regard has not changed. The latest word I received just this morning would indicate that there is still hope of a settlement. I hope this settlement will take place before Monday of next week.

WATER RESOURCES

OTTAWA, ONT.—REQUEST FOR REPORT ON MEASURES TO CORRECT POLLUTION IN CAPITAL AREA

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask the Minister of Mines, Energy and Resources whether he is prepared to make an interim report on the negotiations that are taking place between the cities of Ottawa, Hull and his department concerning water pollution?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I am sorry that I failed to understand the question.

Mr. Speaker: In my opinion this question is repetitious of questions asked yesterday. At that time I suggested they might be placed on the order paper.

[Mr. Muir (Cape Breton North and Victoria).]

HISTORIC SITES AND MONUMENTS

MARKERS TO COMMEMORATE FATHERS OF CONFEDERATION

On the orders of the day:

Mr. H. E. Gray (Essex West): Mr. Speaker, I have a question for the Prime Minister. Will the government undertake as an immediate federal government centennial project the placing of appropriate markers at either the birth places or the grave sites of all the fathers of our confederation?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I shall be very glad to look into that matter.

AGRICULTURE

INQUIRY AS TO ESTABLISHMENT OF TASK FORCE

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is to the Minister of Agriculture, and it has to do with the highly vaunted task force that we have been told about. Can the minister say whether he has a target date for the establishment of this group, and whether it will be before the middle of this year?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, we have seen many people concerned with the task force and are hoping to make an appointment very shortly.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

The Chairman: Order. House again in committee of supply, estimates of the Department of Labour for the fiscal year ending March 31, 1968, vote No. 1. Vote No. 1 will be found at page 256 of the bluebook. The details are listed on page 258.

DEPARTMENT OF LABOUR

1. General administration, including grants as detailed in the estimates, $1,972,000.

Hon. J. R. Nicholson (Minister of Labour): Mr. Chairman, in presenting the estimates of the Department of Labour for consideration by the committee today, I am very pleased to be able to do so in a climate that is much more tranquil, much less volatile than that which permeated my introductory remarks when my estimates came before the committee about this time last year. Though the present condition may prove to be merely a lull before a new escalation of activity in the

federal industrial relations field, I must say that this lull has proven most valuable both to me and to my department. It has provided us with a badly needed breathing spell, because the first major strike broke out within a matter of days of my taking office and that atmosphere continued right up until midnight December 31, 1966. However, I think we have been able to use this breathing spell to advantage and put it to good use in realigning our thinking and our program directions.

I believe that my department's ability to cope with problems has increased and that we are now in a position to make a much more positive contribution to improving the environment of the ever-changing Canadian work world than we were a year or so ago. I think it is quite safe to say that all, who are wise enough to learn, did learn a great deal from our industrial relations experiences of 1966, which the record will show was the most difficult year in the history of Canadian labour relations, starting off with 35 work stoppages on January 1, either strikes or lay-offs then in progress, and 594 additional stoppages occurring during the remainder of the year. The stoppages, I might say, which occurred in industries under federal jurisdiction drew most attention and, perhaps naturally, made a very wide impact on the country.

Even though these particular stoppages represented only 7 per cent of the total number, they accounted for 20 per cent of the time loss during the year. It is not my intention today to go into a detailed accounting of the myriad complex and interrelated factors which underlined the difficult year 1966. This I have done on several occasions both in and out of the house. But there are a few major aspects of the 1966 industrial climate that in my opinion bear restating.

When you have a period of great general industrial prosperity reaching its peak, coincident with a number of two and three year old major collective bargaining agreements coming up for re-negotiation, it should not be surprising to anyone to find vigorous industrial relations activity. When you add to this an almost non-existent unemployment situation, and that was the situation in 1966—indeed, we had a great shortage of skilled workers in many essential fields—the industrial barometer would certainly tend to rise even more rapidly.

Is it in any way peculiar, therefore, that with all these signs of continuing prosperity around them, the unions, who as they saw it had fallen two or three years behind during their collective bargaining negotiations, demanded what they said was a more equitable share of this new prosperity? I might ask this question: Is there not more or less general agreement in Canada and in the democratic countries of the world today that the employee should benefit in relation to the economic success of the venture in which he has invested his skills, in the same way as other types of investors benefit, the owners and the managers? Certainly the managers benefit when they do a good job, and expect substantial increases for their efforts. I feel the same way about employees. It is a question of degree, I suggest, in each case. But rather than go further into the climate of 1966 I would like to deal briefly with some of the lessons that have been learned and some of the misconceptions that have become evident out of that period of severe testing.

After many immediate outcries—and for a period of several months last year we were getting them several times a week, sometimes several times a day—proposals and counter-proposals throughout the whole year, and after a calm re-examination in the interim, it is still evident that the basic concepts underlying free collective bargaining in Canada and other true democratic countries remain beyond serious challenge. Any system devised for the sharing of economic benefits between the employer and the employee must be compatible with the basic social and economic tenets of the society in which it is to work. Freedom to choose, freedom to accept or reject, indeed even freedom to be wrong, is a basic value in Canadian life. Thus any system for sharing the munificence of that life which does not contain those freedoms is both incompatible and unworkable.

Yet such group freedom can never be total within an active, organized society. Its scope must be limited, as we saw on one or two occasions in this house last year. This group freedom must be limited to an extent acceptable to society. In Canada this society is a self-disciplining one, a democratic one retaining the ultimate right, if necessary, to limit group freedoms by its judgment in applying a comprehensive and final totality of all factors. This in turn places the clear responsibility for self-discipline on the individual and on particular groups within the society.

• (12 noon)

From the experiences of 1966 it has become shatteringly clear that those in positions of influence, not only in labour and industry but

also in government, must make every possible effort to contribute to and build a new environment within which a free and responsible collective bargaining system can flourish. If suitable conditions are not prepared for the encouragement of these new attitudes, how can the industrial relations community expect to deal with other crucial matters concerning the future which were borne upon us by some of the experiences of last year?

Mr. Chairman, I must say that there is ample evidence that the labour force in Canada, now over 7.5 million strong, is rapidly beginning to change its basic composition. It is already beginning to alter materially its industrial occupational and geographic structure. There is a steady and great shifting from the traditional goods producing industries to the rapidly expanding service industries which are characteristic of today's bountiful society.

There is also an influx of youth with more education and with a new and different set of values, with no fears of unemployment, no history of any industrial depression and with a highly developed sense of mobility. It is evident that the provisions of collective bargaining will continue to be extended to an ever-increasing number and diversity of citizens including white collar and professional persons. There is every indication that the growth of union membership in Canada will most likely maintain its recent level of between 6 per cent and 7 per cent per annum and indeed might well escalate more rapidly over the next few years. In this connection the house will recall that by its own action this parliament has added 200,000 members to the collective bargaining and union community in the form of the federal civil service. The impact of technological change will continue to be a growing concern to both management and labour in the resolution of the problems caused by its impacts on employees and efficiency.

Another factor that must be taken into consideration for labour relations is that during the first quarter of 1967 immigration rose by 50 per cent compared with the same period last year, which in itself was the second highest immigration year in Canada's history. It is reasonable to assume, based on our past experience, that these welcome new citizens who have entered the labour force will bring with them attitudes and concepts from their own native lands. An increasing number of the men who are active in the labour field come from other lands and bring with them the benefit of their experience.

[Mr. Nicholson.]

Another interesting factor is that during the fiscal year 1966-67 the number of people working as employees in the non-farm sector of the economy increased by nearly 5.5 per cent. This was the fourth successive year of increases in excess of 5 per cent, a remarkable record considering that population growth rates have averaged less than 3 per cent annually. In the process of making these large increases in their work forces, employers have absorbed the more readily available labour. The surplus situation which existed a few years ago in 1958, 1959, 1961, has virtually disappeared in most areas in Canada, although, regrettably, there are one or two areas where the situation today is not good.

Another method of attempting to comprehend the Canadian labour situation lies through examination of the more general statistical measures, that is, of the developments in the labour field. These general figures show clearly that in the last year there were very large increases in employment and in the size of the labour force, with relative stability of the unemployment rate throughout the whole period. That rate is now just under 4 per cent, but for some time it was approximately 3.3 per cent.

The weekly pay of most workers in Canada also substantially increased during 1966. It seems probable that the industrial composite figure of average weekly wages and salaries, the most general measure we have of average weekly earnings in Canada, will in the future consistently exceed $100 weekly. Labour income has gained very substantially because gains in this figure are determined by the sizes of increases in employment and in average weekly earnings.

As I have said, the important job for the immediate future is to learn from the happenings of last year in an attempt to determine the extent to which change could be made to advantage. Thus, it is in this environment of spectacular movement and changes, in the industrial theatre to some of which I have referred, that our new and reorganized Department of Labour has set its course for the future.

Hon. members will recall that some concern was expressed in the house last year that as a result of the redistribution of certain functions between the Department of Labour and the Department of Manpower and Immigration the former might have a tendency to fade away. I can assure the house that nothing is farther from the truth and that one

minister could not have handled the two jobs last year.

The Department of Labour is now re-examining its position vis-à-vis the pressing realities of today's world of work and is setting about its clearly defined objectives with enthusiasm and with all the resources at its disposal. The ongoing objective of this new Department of Labour is to improve continuously the environment in which Canadians work in such vital areas as their remuneration, their employment standards, their safety, their employee-employer relationships and their individual human rights.

The major structural reorganization of the department to meet these new goals has, for the most part, been completed over the past year. Under the deputy minister its three main programs, labour relations, labour standards and benefits and research and development, are headed by two assistant deputy ministers and a director general of high calibre and great experience, all of them with both labour and industrial backgrounds. I might say that I think we have also been fortunate in having attracted to the department other senior program officers who bring with them not only great skill in their specialties but also the benefits of new and different viewpoint from the outside. Recruitment of more such men and women of experience will continue and will in fact be stepped up.

Last year at estimate time I pointed out that one of the most significant new developments in the whole labour relations field was the passage by this house of the Canada Labour (Standards) Code. In the administration of this new code, along with the Fair Wages and Hours of Labour Act, much has been accomplished, although much still remains to be done. We are making encouraging progress.

• (12:10 p.m.)

As I said in December last, the enactment of the Canada Labour (Safety) Code by parliament at that time was also an important achievement. Up until December 1966, there had not been a statute of general application to industries and undertakings under federal jurisdiction having as its primary purpose the ensuring of safe working conditions for all employees. No reference could be made to the effective date of the new legislation until the legislation had been passed, although a great deal of planning and thinking had been done. I might say, however, that my department has undertaken an entirely new and vital role, that of safeguarding the health and well-being of a large segment of the Canadian working force. Considerable planning and other preparatory work is already under way with the provinces and industry with a view, I might say, to having the legislation proclaimed and in full force and effect before the end of this year.

My department also administers both the Canada Fair Employment Practices Act and the Female Employees Equal Pay Act. These two acts, which are similar to legislation in the provinces, cover all businesses and undertakings within federal jurisdiction and the department is in the process of implementing a broad-based educational program to provide a leadership role for all jurisdictions.

In the international field Canada currently is studying three important international instruments adopted some five months ago by the general assembly of the United Nations. These include the covenant on economic, social and cultural rights, the covenant on civil and political rights, and an optional protocol to the covenant on civil and political rights.

Next year has been designated international year for human rights and officials of my department have attended the planning conference for Canadian participation and subsequent meetings.

I should like to say a word about the conciliation and arbitration branch of the department which was of prime importance during the year 1966 and is likely to be in the months ahead. This branch administers the Industrial Relations and Disputes Investigation Act. The principles involved in the act, I might say, are designed to develop maximum initiative by labour and management in the regulation of their own affairs, that is, without government intervention, consistent, of course, with government intervention if and when this becomes necessary in the interests of the public. In the reorganization of the industrial relations branch which took place in 1966, the department established the employee representation branch to serve as the administrative agency of the Canada Labour Relations Board.

Directly related to our responsibility to assist in the improvement of the labour relations environment is the department's labour-management consultation program. This program seeks to encourage joint consultation with a view to lessening crises and conflicts which sometimes lead to unnecessary work stoppages. Our work has been rewarded by a

noticeable upturn of interest on the part of the progressive industries and unions. I believe it would interest hon. members to know that currently 2,158 labour-management committees are in active operation across Canada, covering a total of more than 631,000 employees.

It was the clear realization that the issues to be resolved in the future will be of increasing complexity which led to the government's decision to establish the task force to which reference has been made of late more than once in this chamber. However, I think we were wise—and I am sure hon. members will agree that it was far better to do this than to take serious steps during a period of continuing crises like we had in 1966—to establish a task force of very able men with a competent group of advisers to study the problems and major issues patiently, capably and comprehensively until satisfactory proposals are arrived at. My department is assisting and will of course continue to assist and co-operate with the task force.

I should now like to refer briefly to what has come out of the Freedman inquiry. The recognition in the Freedman report of the fact that essentially no plan can be accepted which would slow down the rate of technological advancement or the freedom of discovery, of course, is the immediate problem to be solved by the railways and the brotherhoods. In this specific area of direct federal interest I should like to say quite frankly that in my opinion, and certainly in the opinion of the officials of my department who have been following the matter very carefully, both the railway union involved and the C.N.R. management are entitled to very great credit for their recent demonstration of responsibility in coping with the dislocations as a result of technological advancement. In essence it has now been mutually agreed by the railway and the unions—and this is incorporated in an agreement—that in those cases where technological advancement would require the relocation of employees, the company will give the unions not less than 90 days' notice thereof and not less than 60 days' notice where relocation is not expected. In so notifying, the company will also include all pertinent details for the information of the union. Here is a concrete example of how the two industrial partners are honestly trying to work out an improved mechanism to meet the new conditions of today.

I think this underlines a very important point. Most changes, technological and otherwise, are of a manageable proportion, but each has its own particular characteristics and requirements. Technological changes often involve a relatively small number of people. This sort of problem does not lend itself to imposed governmental solutions which, by their very nature, must be comprehensive and general. Wherever and whenever possible the government role should be restricted, in my opinion, to assisting the private sector to make its own adjustments. That is exactly what the unions and the railways have done in the matter of run-throughs.

In line with the pressing need to take progressive steps to improve generally the efficiency of the collective bargaining process, the department is energetically studying the feasibility of setting up facilities for the training of more potential conciliators and mediators. That in my opinion, also is a forward-looking step. It is obvious in the industrial relations area that when you have highly trained and experienced negotiators to represent the union and highly trained and experienced negotiators to represent the company, each having very strong views, in order to be effective the mediators and conciliators assigned by the government ought to have some professional and training background so that they can bring the highest level of skill to bear objectively and realistically on the complex problems involved.

Hon. members will recall that the Department of Labour was host to—in a large measure its meetings took place in this chamber—the regional I.L.O. conference in September 1966, which was attended by over 250 representatives of unions, employer organizations and governments. This regional I.L.O. conference, the first ever to have been held in Canada, provided an excellent opportunity for the exchange of views of important matters which confront various countries in the labour field.

I might say that in addition to what it is doing in the field of inquiry and in the field of the training program for mediators and conciliators, the department is also expanding its labour councellor service abroad in order to improve the flow of labour information from overseas.

• (12:20 p.m.)

I should like to deal briefly now, Mr. Chairman, with the specific votes. The committee is being asked to approve $12,811,000 for the Department of Labour, of which $3,426,000 is for statutory items. Attention is directed to the new vote structure which is

being used this year. This form of presentation is an endeavour to meet the Glassco commission recommendation that the estimates be prepared in such a form that the votes will more clearly describe the purposes of the expenditures. I hope that we have achieved this by dividing the activities of the Department of Labour into the three rather distinct programs of activity to which I have referred—labour relations, labour standards and benefits, research and development, with a fourth for departmental administration to encompass general over-all support services.

As was pointed out by your predecessor in the chair, sir, the various activities which are covered under each vote appear on pages 258 to 273 of the blue book. It will be noted that there is an over-all increase over last year of roughly $1,539,000, of which $1,024,700 or roughly two thirds is under vote 10, labour standards and benefits. This increase is concerned primarily with the administrative costs associated with the new Canada Labour (Safety) Code passed by parliament in December, 1966. A further substantial increase is associated with the Canada Labour (Standards) Code. The enforcement of this legislation involves more staff resources and an increase in the salary allocation. This becomes necessary if we are to make certain that the provisions of the act are lived up to.

In conclusion may I say that I hope the proclamation of the new labour safety code before the end of this year and the application of the principles of the code to government services will result not only in a saving of dollars but in a saving of human suffering also.

The man-year establishment for the department for 1967 will be 850 persons compared with 669 in 1966-67. The total payroll cost will be under $5 million for the fiscal year.

Mr. Aiken: May I ask the minister a question? Does he intend to deal with his responsibilities under Central Mortgage and Housing Corporation separately?

Mr. Nicholson: I think it would be more convenient, if the committee is agreeable, to deal first with the Department of Labour estimates, then with the Unemployment Insurance Commission estimates and then with the estimates of Central Mortgage and Housing Corporation.

Mr. Grégoire: May I also ask a question?

[*Translation*]

May I also put a question to the minister? I should like to ask the Minister of Labour (Mr. Nicholson) whether he also intends to state his views concerning the dispute between the Canada Labour Relations Board and the C.N.T.U., with regard to natural bargaining units. Does the minister intend to state his views on that subject?

[*English*]

Mr. Nicholson: I think the hon. member knows, as do other hon. members, that parliament by an act has delegated certain judicial responsibilities to a tribunal, the Canada Labour Relations Board. That board is carrying on its functions. The government should not and does not dictate to this board which carries on its own work. Unless and until parliament changes the act, that board must discharge its responsibilities as it thinks proper.

The Assistant Deputy Chairman: The hon. member for Hamilton West—I beg your pardon, the hon. member for Edmonton West.

Mr. Lambert: Perhaps that little slip may be permitted as we have an expanded football league, with Hamilton and Ottawa. Perhaps the schedule is a little off.

Mr. Knowles: The chairman has had too much sun.

Mr. Lambert: That may be so. I apologize to the committee for the absence of my colleagues, the hon. members for Ontario and Argenteuil-Deux-Montagnes. They would normally be taking an active part in this debate. As you know, sir, we have a leadership convention looming. The hon. member for Ontario is a candidate and he had pre-existing engagements. The hon. member for Argenteuil-Deux-Montagnes is a convention co-chairman, and the convention committee is now in Vancouver. Perhaps the hon. lady who is now Secretary of State will recall that her party went through this necessary procedure. The representatives of her party made remarks similar to mine when they were holding a leadership convention. Undoubtedly it will happen again that her party will hold another convention. This is one of the facts of political life and of party organization, and it is part and parcel of government. Anybody who wishes to ignore it is merely putting his head in the sand.

The year 1967, so far as labour relations that come under federal jurisdiction are concerned, has been more peaceful than the year 1966. I do not know that Canada can stand too many years such as 1966 following too closely. We have reached the month of June, of course, but it may be that the latter part of

the year will not be as peaceful as the first half has been. Whether the first half of the year has been peaceful because those coming under federal jurisdiction have been imbued with the sentiments of the centennial year I do not know. Their colleagues who operate under provincial jurisdiction do not share those sentiments in some provinces where, unfortunately, we are experiencing a continual turmoil in labour relations. My simple comment on that score is that this continuing striking at the slightest pretence, this wildcat striking, boils down essentially to holding up the public to ransom. We saw last year that people were becoming more than fed up with being held up to ransom. I am not addressing these remarks specifically to management or labour but rather to both, and I say to governments in certain jurisdictions that the public patience is being sorely tried by this continuing disruption. The public pays for it.

There will be ever-increasing demands for compulsory arbitration. Settlements will be imposed. In saying this I admit that compulsory arbitration is not the end that should be sought because imposed settlements are not necessarily the best to deal with the situation. Whether from the point of view of the employees or the employers, an imposed settlement is always fraught with difficulties. The public of Canada, as in the United States, has come to the point of losing patience with those who in many instances are selfishly motivated and whose motives are not directly connected with the just demands of employees.

• (12:30 p.m.)

We have seen some nonsenses perpetrated in this country in this connection, nonsenses which occur because certain persons are power hungry. Because of the tie between the general membership of the unions and those who direct those unions, the men have no choice but to follow the instructions of their officers, and out they go. Still, it is the public which suffers. I think it is time wise persons in management, in labour and in the government recognized the storm signals that are appearing. At present the general public is quite prepared to allow for complete freedom of negotiation and for assisted negotiation in cases where government mediators are at hand. All this would be wiped away and compulsory arbitration, with all its rigidity, would be imposed if public sympathy were lost.

We see protests against injunctions. There may be some abuse of this process but on the other hand there are abuses on the union side, mass picketing, for example, by persons who are not really connected with the labour dispute. This is using a massive club against persons who also have rights. Management has rights as well as labour. If there is abuse by either side this will, of course, bring restrictions.

I personally cannot condone criticism of the courts or the personal criticism directed against judges, who understand the law, just because some people feel they are being restrained by the law from following their natural inclinations and that the law therefore is bad and they should be able to break it with impunity. This is nonsense. The law applies in this field as it does in criminal matters and no man can decide whether the law is good or bad on the basis of whether he is being constrained from doing something he would like to do. The robber or the murderer may not consider that the Criminal Code is right, but then he does not assert that the law is bad because it prevents him from committing a hold-up or a murder. The example I use may be extreme. Someone may suggest it is wrong to use the comparison between the Criminal Code and an injunction in a labour dispute, but I believe a parallel does exist in the argument. I do not think the action taken by certain individuals and groups with regard to injunctions is to be praised or even condoned. They dislike them. They are free to object to the principle, but they are not free to break the law as part of their objection.

The hon. member for Lapointe raised a question in connection with the Canada Labour Relations Board and the C.N.T.U. There is a difference of opinion. I cannot accept all the arguments that are advanced by the C.N.T.U. I come from a province where people have just as much right as anybody else in this country. But the result of what is proposed would be the utmost fragmentation of labour negotiations. We might as well set up ten Canada labour relations boards under the act if certain arguments were to be accepted. Admittedly some adjustments could be made, and I think they should be made. There is the question of language to be considered when it comes to representations made before the board. I would certainly ask the minister to direct his attention to this aspect.

In his reply the minister used the argument: there is an act, there is a board, and the government will not interfere. But if there are grievances, and I think there are legitimate grievances, it is incumbent on the

government to propose the necessary amendments to the legislation which would modify the constitution of the board and its procedures, not merely adopt the attitude of Pontius Pilate and wash its hands of the problem. That will not dispel it.

Mr. Nicholson: On a question of privilege, with all due respect to the hon. gentleman I do not think he could have heard the question which was put to me. I was replying to a specific question put to me by an hon. member. I certainly do not disagree with the hon. gentleman's expression of opinion right now.

Mr. Lambert: I would like the minister to have advanced that statement as an argument, not as a question of privilege. I did not suggest that the minister was seeking to emulate Pontius Pilate at all in his reply. What I had in mind was a general attitude. Not all hon. members who are present here are fully conscious of the details and the background of the quarrel and they will continue to be uninformed unless they are given some explanation of the problems which have arisen and the difficulties which are encountered in connection with this issue. I am not asking the minister to make a pronouncement as to who is right or who is wrong. But certainly he should bring us up to date by telling us what difficulties have arisen in connection with the Canada Labour Relations Board.

I wish to turn now to consideration of another matter, the Canada Labour (Standards) Code. I recall that during the passage of that bill I and many of my hon. friends, as well as some hon. members on the government side, raised certain very valid objections to what seemed to be a dogmatic and stubborn approach by the then minister to the application on a general basis of the 40-hour week and the question of whether permits for overtime could be obtained in the case of emergency. I indicated to the minister that there were some industries to which this rigid limitation of hours of work within a week could not possibly be applied unless they were to be loaded with most fantastic costs and most difficult situations.

• (12:40 p.m.)

There was some recognition of this difficulty by provision in the act for deferments, but the axe was intended to fall some day. The minister never replied with respect to the problems of the oil and gas industry and related supply industries, where for example at the present time, in the Rainbow lake and Zama lake areas of northwestern Alberta, development is taking place very close to the boundaries of British Columbia and the Northwest Territories. As long as these firms operate in the province of Alberta they do not come under the jurisdiction of the Canada Labour (Standards) Code, but immediately their operations cross provincial boundaries, whether in the trucking of pipe or conveyance of goods or even in the case of workers moving across boundaries from their camps to drilling sites, then the code does apply.

I defy the minister or any of his officials to indicate how the code will apply to a firm moving in crews to drill sites or to exploration sites say in wintertime when the crews may have to travel for seven to ten hours from their camps. These men work a long stint when they get to the sites and then come out for relief. The same thing applies when moving in loads of drill pipe. The truckloads go in, are delivered, and then trucks must be brought out. It is often impossible to accomplish all this in a 40-hour or 48-hour stint.

Besides, many men will not undertake these jobs unless they are guaranteed 60 to 70 hours work. It is isolated work; otherwise these men work under good conditions. In addition, their lives are predicated on a certain higher standard of living earned during a part of the year, and they refuse to work unless they can be guaranteed long hours and consequently higher pay.

The minister knows as well as I do the conditions that applied to the Peace river dam construction and the high wages that were being paid. Throughout western Canada representatives of the contracting firms and of the British Columbia government went around guaranteeing hours of work far in excess of those specified in the act simply because of the isolated nature of the work and the fact that the men could not move their families to live near them. The oil development in Alberta, in northeastern British Columbia and in the Northwest Territories is becoming farther and farther removed from the centres of population. It is ludicrous to say that families will follow these developments in all circumstances because of the absence of schools, hospitals and other reasons. The men who go out to do this work in wintertime—the drilling must take place during the winter months because of muskeg conditions—are going to insist upon these long hours of work at high wage rates and no legislation is going to force them to work less. Therefore I think there must be a degree of flexibility which is not now apparent.

I want to hear from the minister in this regard. Remember, once a firm starts working in an interprovincial area and is caught by the labour standards act it cannot allocate its crews so far as scales of pay and working hours are concerned in that particular work and then have different standards for the rest of its employees who may be doing work strictly within one province. In this context I am thinking of some of the more extensive operations of heavy trucking firms in Alberta who haul drill rigs, pipe, bunkhouses and other kinds of equipment. Are they going to have certain of their personnel covered by Alberta legislation and the remainder who cross provincial boundaries covered by other regulations under the federal act? How could a firm maintain equitable management-employee relations in such circumstances?

Many operators in the oil industry have approached me with respect to the difficult conditions under which they are being asked to operate. These are impossible conditions. As I said, it seems to me that the labour standards act was designed for nice cozy factory operations in central Canada but so far as our development industries farther afield are concerned, which may be caught by this act, somebody was out to lunch, so to speak, and it should not apply.

We must also remember that the products of these industries go into a very competitive market. The cost of production of commodities has become a very serious problem to Canada. Not only have we got higher transportation costs. Higher costs have been imposed on the trucking industry as a result of this act, but there are higher costs elsewhere. For what benefit? The men involved want to work longer but they are not permitted to do so. Thus we are driving up costs to the point where some people are saying it is not worth the candle. Judgment must be exercised in regard to some of the standards that we may set. If the product will not be sold at the end of the line then it is useless to say that our people will be employed. Canadian business is not in existence merely for the purpose of stockpiling.

I want to ask some questions with regard to Central Mortgage and Housing Corporation but since the minister indicated, and I agree with what he said, that we should defer questions on it until a later point today, I will content myself by indicating one area to which I hope he will address his remarks. I refer to the provision under the National Housing Act whereby the corporation may make loans to companies or individuals who hold blocks of C.M.H.C. mortgages. I ask, on what terms? It would appear as though the costs of these loans may be as high as those of loan factors. Certain difficulties have arisen as a result of this type of financing. I would like to have some elaboration on that point.

Mr. Orlikow: Mr. Chairman, the Minister of Labour gave the committee an interesting sermon a few minutes ago. He spelled out his belief that both labour and management have the fullest freedom to pursue their legitimate interests in a free society. It is a belief with which we all agree. I only wish that the speeches the minister made across the country throughout the last year had contained the same argument. I am going to deal with that point in a few moments, but I think I would be remiss if I did not comment on the interesting remarks of the first speaker for the official opposition, the hon. member for Edmonton West.

The hon. member for Edmonton West made a speech in which on every issue with which he dealt and which divides labour and management he wound up on the side of management. He came out for compulsory arbitration.

Mr. Lambert: I did not.

Mr. Orlikow: He is shaking his head that he did not but if one reads his speech in *Hansard* one will see that the context in which it was given would so indicate.

• (12:50 p.m.)

Mr. Lambert: Mr. Chairman, it is fair that I should rise on a question of privilege. The hon. member is absolutely misquoting me. I did not say I was in favour of compulsory arbitration. I said there was a danger that we were heading toward it and that there were some very grave inequities in respect of compulsory arbitration. I certainly did not advocate it.

Mr. Orlikow: Mr. Chairman, I could hardly misquote the hon. member because I did not quote him at all. The hon. member who talks, as he has just done again, about the fact that we are moving toward compulsory arbitration did not say that he disapproves of it. I think the record will speak for itself, and I drew the inference that he was not opposed to compulsory arbitration.

Similarly, the hon. member spoke about the need for respect for our laws. I got the impression that only labour people on occasion ignore the laws. We did not hear about the cases of large companies and others in this

country which have been guilty of firing people because they have participated in union activities or in organizing unions. This is a practice which is contrary to the law.

We did not hear the hon. member express any opinion about the use of ex parte injunctions which are granted against labour unions without representatives of those unions being present. We did hear an argument from the hon. member regarding the difficulties in enforcing the Canada Labour (Standards) Code and the 40-hour week provision. In my opinion, where there is a division between management and labour in respect of these matters the hon. member has taken the side of management. I think the record will show that to be so.

I do want to talk about what I think has been an unfortunate practice of the minister in the last few months, if not in the last year. The minister has been making a series of speeches across the country and I will deal with two examples in which he indicated, as did the hon. member for Edmonton West, that because of labour difficulties and strikes we may be moving toward some form of compulsory arbitration. The minister made a speech on June 17, 1967 in Vancouver to the Brotherhood of Railroad Trainmen and I should like to read one sentence from that speech. He said:

> There is abundant evidence—and not only in the Freedman report—that our present laws and procedures are not adequate to deal with all of today's industrial relations problems.

If they are not adequate I should like to ask what the implication is if not that we may be moving toward a form of compulsory arbitration.

Mr. Nicholson: Mr. Chairman, I rise on a question of privilege. There are any number of alternatives that arise from that part of my remarks. There is no reference there to compulsory arbitration. If the hon. member will only be fair enough to read the whole speech it will be seen that there is no such reference.

Mr. Orlikow: There may be a number of alternatives, but I think it is the responsibility of the minister, if he is not in favour of compulsory arbitration or any form of it, to spell that out at some point.

In May the minister made a speech in Ottawa to the Ontario Mechanical Contractors Association. In anticipation of the minister getting up again to say that I am inferring things which he did not mean, I should like to quote from an editorial which appeared in *Canadian Transport*, the official publication of one of the large Canadian unions, the C.B. of R.T. I will read a couple of paragraphs to indicate how that union assessed the minister's speech. They refer to it in this way:

> It took the form of strong criticism of strikes, and a veiled warning, that unless a better method of settling industrial disputes was found, government intervention and the imposition of compulsory arbitration on a much broader scale were inevitable.

That is how the editor of this union publication assessed the minister's speech. The editorial goes on to quote from the minister's speech and states:

> He argued that, when unions resort to strikes, they "emphasize their own inadequacies...their inability to persuade."
>
> He added that "there must be a better way—there has to be a better way!"

A strike is a difficult thing for everybody but it is more difficult for the worker who, for every day he is on strike, does not get paid. Despite what some members may think, workers do not easily decide to go on strike and they are not coerced to go on strike. If there have been more strikes in the last year or two than in earlier years we have to ask ourselves why. Why do workers take the ultimate step of going on strike? I think the reasons are very obvious to anyone who reads the financial sections of daily newspapers or the *Financial Post*. They will realize that the workers who go on strike can read the annual financial reports and know that for the last two or three years the profits of companies large and small, but particularly large corporations, have been increasing at a tremendous rate. The workers take the very simple view that when there is an increase in productivity and profits they are entitled to their fair share.

Workers also take the view that when there are technological changes and automation they have a right not to featherbed or to be paid for doing nothing but to be consulted and to sit down with management to ensure that the effects of automation and technological change will be implemented in a fair way. A few years ago there was a stoppage in the operations of our railways which led to the government appointing Mr. Justice Freedman to look into the matter and make recommendations. We received an excellent report but where is that report now? It is gathering dust in the files of the labour department.

Numerous requests have been made by labour organizations for government action through legislation. They have been met with

the very bland answer that these questions are being studied. If the workers get tired of that answer and resort to strike action on occasion we ought not to be surprised. What surprises me is that the minister and his department do not seem to understand the situation and in my opinion are becoming, unduly alarmed about strikes, which I believe are an integral part of the democratic right of workers in a democratic society. May I call it one o'clock.

The Acting Chairman (Mr. Isabelle): Order. It being one o'clock it is my duty to leave the chair.

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 Labour, vote No. 1.

Mr. Orlikow: Mr. Chairman, in my remarks just before the lunch break I expressed the opinion that the number of strikes we had in Canada last year was not, if one considers the reasons for them, in my opinion very serious. I said that the government and others who are implying the possibility of changes in labour legislation and the possibility of compulsory arbitration are misreading the signs and misunderstanding the reasons for the strikes. They are really not getting at the root of the problem.

One of the reactions of the government has been the appointment of a task force to study labour-management relations. The Minister of Labour on December 2, 1966, as can be found at page 10646 of *Hansard*, referred to this task force and its purposes in the following terms:

> —the Prime Minister has set up a task force to study the problems and to make recommendations on what, if any, changes should be made in the existing procedures.

I want to put on the record now, so there will be no misunderstanding now or in the future, that I personally—and I know I speak for a rather substantial number of people who are much more intimately involved with labour-management relationships than I am and who are concerned with leadership in the labour movement—am disturbed about the task force, its personnel, the tremendous scope of the work it proposes to do, the length of time the task force will inevitably take, the expense that will be entailed, and the lack of what I consider to be any practical results.

Let me give my reasons for saying this and outline what I see as the difficulties. First of all, Mr. Chairman, I want to make this statement publicly so there will be no misunderstanding. I am speaking for myself but I know others feel as I do. I am very sceptical about the chairman of the task force, Dean Woods. Dean Woods has been heading a joint labour-management committee studying the problems of labour and management in the province of Manitoba. This study has been carried on for some three years. For three years or more the labour movement in Manitoba has been concerned about the problem of injunctions. It has been concerned about the problem of its legal status as a result of legislation that made labour unions legal entities which could be sued. It has been concerned about the fact that workers are still being fired for helping to organize unions in the province. It has been concerned about the existing legislation and the administration of the act in Manitoba, because the labour movement has no recourse under the law to prevent these practices. This is the fact in the province of Manitoba, although the labour relations act obviously makes these unfair labour practices.

When the labour movement has complained to the provincial government over the last three years the answer of Premier Roblin or the provincial minister of labour has been: We cannot do anything about this matter because the Woods committee is studying it. The fact is that in three years there has been no report from this committee.

In case members of the committee think I am alone in my view I want to quote one paragraph from a speech made by the president of the Manitoba Federation of Labour, Mr. R. J. Henderson, at the annual meeting of the federation on June 3 this year. I quote from his speech as reported in the Winnipeg *Tribune* of June 3:

> In my opinion the Woods Committee (Manitoba's survey of labour relations and labour standards legislation under Dean Harry D. Woods of McGill University) is simply being used as a smokescreen by the government as an excuse for failing to introduce amendments we require in the labour laws.

• (2:40 p.m.)

I believe, and I know it has already been said privately if not publicly, that this task force will not report for 18 months. There may be some preliminary reports in the fall

but these certainly will not be based on detailed studies. It seems obvious to me that if we are in trouble, as the government seems to think we are, we should not have to wait 18 months before we get down to work. I suggest to the Minister of Labour that there are difficulties in the railway industry which may lead to a work stoppage long before 18 months have gone by. This is one of the complaints I have.

My second complaint is that the task force has undertaken to study almost any and every subject which might be of interest not just to the labour movement or to management but to every professor in Canada who wants to do a study and get paid for it. I have seen a preliminary list of these studies. The task force is proposing to do close to 100 studies, most of which have nothing at all to do with labour-management relationships in the federal jurisdiction. I want the members of the committee to realize that the bilingual and bicultural commission only did 130 studies. So I am suggesting that we are undertaking a study which will come close in magnitude to the size of that undertaken by the B and B commission, in my opinion will cost close to $2 million before we are through and will not be completed in time to be of practical use.

Another matter about which I should like to complain very strenuously is the inability to get information as to what the task force is going to do. I know they have not completed all their plans but a large number of the contracts with the people who are doing the studies have already been made. What is the reason for the secrecy? I have been told by some of the people connected with the task force that it is not thought necessary to make the plans of the task force public. I wish to tell the minister so he can tell the members of the task force that in my view this is a public force and that when they are doing a study as important as this one is supposed to be and are spending the amount of money I have mentioned, it is the public's right to know what studies are being undertaken, who is doing them and so forth.

Let us consider some of these studies. A number of qualified people have undertaken to do studies but I question the validity of some of them. I wonder what they have to do with labour-management relationships and I question the reason for making them. Let me go over a few of them. Apparently there is a study on the relationship between trade unions in Canada and trade unions in the United States. This is a very interesting subject inasmuch as Canadian trade unions are closely and intimately connected with United States trade unions. I have no objection to that study but I suggest that at the same time there should be a study on the relationship between management and ownership in Canada and the United States. If we are going to study the relationship between the United Auto Workers Union in Canada and the United Auto Workers Union in the United States, then surely we should also have a study of the relationship between the Ford Motor Company in the United States and the Ford Motor Company in Canada, a wholly owned subsidiary. Yet to my knowledge such a study is not being done.

It is proposed that there be a study of the use of violence in labour disputes. Have we had a great deal of violence in labour disputes in Canada? I do not think so. However, if such has been the case, what were the causes and how often are management representatives involved in violence? In cases where picket lines have been formed, how often does the manager of a plant drive his car through the picket line so that strikers on picket duty are injured? I am not saying we should not undertake such a study but I question the reasons for it and I suspect there may be an element of bias in it.

Among the list of studies proposed, until I and I suppose several other people made private representations, there was one called "unions and political action". I have no objection to that sort of study but I question what this subject has to do with union-management relationships. I suggest that if it does have anything to do with union-management relationships it would be just as useful and perhaps more interesting to have a study on management and political action. How involved is management in politics in Canada? Unions give money to political parties and to candidates. We make no bones about it. A large number of unions give money to the New Democratic party, and the records are open. How much money is given by management to political parties, which companies do it and to what parties do they give it?

A great deal of information on this subject has been gathered by the committee which studied election expenses. I know that the title of this study has disappeared from the list but that has not convinced me that such a study will not be undertaken under a different title. When I see that kind of study proposed I cannot help coming to that conclusion, and I want to tell the Minister of Labour

that a good deal of the information I have received came from people who are much more directly concerned in the day to day operations of the labour movement than I am.

There is to be a study on federal conciliation procedures in the railway industry to be undertaken by the Department of Labour itself. I do not want to be critical of the Department of Labour because I know it has some very excellent people, but one can hardly expect them to do a very objective study of the work of conciliation under their jurisdiction. We have found 75 or 80 academics to do other studies and surely we could have found an academic to do that study.

Then there is to be a study of the wage criteria in the public service. Why do a study on that subject when for the first time we have passed legislation which allows the salaries of public servants to be negotiated through collective bargaining? This study is to be undertaken by the Department of Finance. I suggest that the Department of Finance cannot be very objective. Its job is to try to reduce the financial burden of the federal government. How can we get an objective study from that department?

Here is a task force which was characterized by someone today as "a proxy royal commission", which it is said will take 18 months to complete its work but which I suggest will need much closer to 28 months, which is going to spend a couple of million dollars, and whose work in my opinion will be largely useless. I suggest to the minister and the government that they should take a look at such problems as the one on which Mr. Justice Freedman reported and then bring in legislation which can be discussed and enacted here without waiting for the task force to do a job which I do not think it will be able to do.

• (2:50 p.m.)

I want to deal with one more matter which the minister mentioned, namely, the Canada Labour (Standards) Code. The minister said many nice things about it today. It seems to me that if ever a political snow job was done in this country, if ever a cynical piece of legislation was proposed and enacted by any government, it is this piece of legislation. Let us look at it. If we exclude federal civil servants, 80 per cent of the employees in Canada who come under the jurisdiction of the federal government work on the railways. Through collective bargaining they were able long ago to have their wages brought up above the $1.25 minimum which this code established. I will give the government this much credit. The passage of this code activated some of the provinces to the point where they increased the miserably low minimum wage rate under the provincial laws. To that extent there has been an improvement, but the minimum wage per hour provision certainly did not have much effect on the employees who come under federal jurisdiction. I do not intend to quote from the act but the act spells out that workers should not work more than five days a week and eight hours a day for a work week of 40 hours.

Let us look at some of the things the former minister of labour had to say in the speech he made on October 13, 1964. When speaking of that bill he said:

> It is a notable event in the history of the labour department and in the evolution of labour legislation in Canada. In so far as the federal government is concerned, it breaks new ground because for the first time the federal parliament is being asked to enact standards in several important fields hitherto unoccupied—

Then at page 8999 he continued:

> The standards we proposed for the code are a minimum wage rate of $1.25 an hour, a standard eight hour day and 40-hour week, overtime hours—

And so on. I believe that bill was passed on March 31, 1965 and was proclaimed on July 1, 1965. Next week it will be two years since the bill was proclaimed. What do we find? We find that there is a provision in the act which seemed to most people, and I take to the government, to be very reasonable and understandable. We had spoken in terms of there being a transitional period and therefore the government was given the right to defer for 18 months the enforcement of the 40-hour week provision. Well, the deferment has not been for 18 months. The deferment has affected thousands of companies which employ tens of thousands of workers. That provision in the act, which I maintain is its only important provision, is a dead issue because the government is still studying the applications for deferment by the companies which are involved. They have been studying them for more than two years. Repeatedly we have asked the minister when the studies will be completed. I do not know whether it will be this year, next year or five or ten years from now. When the minister and the department finally make a decision, if they ever do, then the companies will get 18 months.

In respect of the applications for deferment I should like to quote from a table which the minister provided to us. It covers applications up to February 15, 1967. There may have

been some changes since that time and they may have settled some cases, but I suggest that the number has been pretty small. Under the heading "air transport" we find there are 184 companies which have applied for deferment and that 177 deferment orders have been issued. Under the heading "flour mills" we find there were 784 applications for deferment and 716 applications for suspension. The table shows 1,500 deferment orders and the date August 1, 1967. I do not know whether they are deferred until August 1, 1967 or whether they will be settled on August 1, 1967. The government certainly is not living up to the 40-hour week provision. We find that 374 grain elevators applied for deferment. The table shows that 348 were given deferment orders until August 1, 1967. It also shows that 2,634 highway transport companies applied for deferment, that 35 applied for suspension and that there are 2,645 in respect of which the applications are under review.

It is time the minister told us how long these applications will be under review. Under the heading "radio and T.V. broadcasting" we find that 40 companies asked for deferment, that two asked for suspension and that there were 34 deferment orders. Under the heading "shipping companies" we find that 129 companies asked for deferment, that 31 asked for suspension and that in 157 cases discussions are being held between employers and the unions. How can the unions succeed in getting the companies to live up to the act when the minister will not enforce it? This table shows that there are similar situations in respect of the stevedoring and longshoring companies and in respect of the telephone, telegraph and cable systems.

What I am endeavouring to point out is that literally thousands of companies have asked for deferment in respect of which the deferment has not been processed. The government spent money to publish full page advertisement. It did not contain a picture of the former minister but it did contain a drawing which looked remarkably like the former minister of labour. This advertisement extolled the virtues of the act and told the people of Canada how much they would get as a result of this act which this wonderful government had passed.

In respect of the one provision of the act which meant anything to them, tens of thousands of workers have not received anything and will not unless the minister and the department get down to the job they are supposed to do. This is a sad situation for the tens of thousands of workers who are concerned. These are the people who are entitled to the 40-hour week because of the law which has been passed by this parliament but they are not receiving the benefit of this because the law is being ignored and its application deferred. Whatever the reasons may have been for the deferments, such as the transitional period and so on, I suggest that the minister and his department should get on with the job now after two years have gone by and clean up these applications. A final date should be set so that these workers who were given such rosy promises by the government will be able to get the benefits of the law which this government proposed and to which this parliament agreed.

• (3:00 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, it is not my intention to speak very long on the estimates of the Department of Labour.

However, I should like to bring to the attention of the house the fact that there is, now, in the Department of Labour a problem which I think should be corrected. Earlier in this sitting I asked the Minister of Labour (Mr. Nicholson) to set out the views of his department concerning the C.N.T.U. applications to the Canada Labour Relations Board regarding natural units and the splitting of national units into natural units. The minister answered that the Canada Labour Relations Board was created by an act of parliament and that it must not be interfered with.

Mr. Chairman, to this I will answer that it is very well to create a board such as the Canada Labour Relations Board by an act of parliament, but if, as time goes by, after a few years, shortcomings or weaknesses are found in the operation of the said board, well, then it behoves parliament to amend the act and the minister to introduce the necessary amending legislation.

The minister says that the Canada Labour Relations Board is governed by an act of parliament. I agree. The minister also says that if something is wrong with the Canada Labour Relations Board, an act of parliament is required to right this wrong. But it should be said also that it is the minister who must bring in the necessary amendments to that act which has now proved highly deficient and requires many changes.

Everybody knows that the C.L.R.B. is made up of nine members, namely four delegates from management, four from labour and the

chairman appointed by the cabinet. Of the four labour delegates, three are appointed by international unions or by the C.C.L. and one by the C.N.T.U. It can readily be seen that there is some disproportion when a dispute must be settled between the two bodies, namely the C.C.L. and the C.N.T.U. The number of votes is unevenly distributed.

This prompts us to suggest a first change to the minister and I feel he should take the matter into consideration. As a matter of fact, when a dispute arises between unions, the decision should not be left to a body made up of three members on one side and one on the other, because, unavoidably, or in most cases at least, the chairman and the four delegates from management form a majority on the C.L.R.B. and carry the vote. Now, as the C.N.T.U. has only one member and the C.C.L. have three, whenever there is a dispute between the two labour unions, the Canadian Congress of Labour necessarily has an advantage over the C.N.T.U.

In the end, those who have to decide on affiliation to a union are not the three delegates of the C.C.L. nor the delegate of the C.N.T.U. but the workers involved in this union dispute and the workers must have the right to choose freely the union to which they will belong.

In the present case, that is the case of national negotiation units, it is not the worker who can pick the union with which he wants to affiliate, it is the Canada Labour Relations Board that dictates his choice of a union. In this case, the choice is dictated by the C.C.L., because the C.C.L. has three delegates whereas the C.N.T.U. has only one representative on the Canada Labour Relations Board.

A second change required in view of these observations, Mr. Chairman, is that when a strictly internal dispute within the labour movement is involved, the employers are also asked to vote on this dispute, because within the Canada Labour Relations Board there are four delegates from the employers and four from the employees, or union members, and the chairman. In such a case, the employers delegates are asked to vote or to help the board to reach a decision when strictly a union dispute is involved, a dispute concerning two labour unions. Obviously, there is a second weakness there and the Minister of Labour could improve this or make a change.

A third amendment which, to my mind, should be made in the present legislation on the Canada Labour Relations Board—the C.N.T.U. brought it up recently—is that the chairman—the one who listens to both sides of the discussion—is not always in a position to understand the arguments introduced by certain groups when these arguments are presented in a language he cannot understand. Obviously, there is simultaneous interpretation of these discussions, at least in the majority of cases, but this does not enable the chairman, who is more or less the judge on these matters, to understand fully the scope of all the arguments that may be brought forward.

That is why I suggest to the Minister of Labour that he amend the act on the Canada Labour Relations Board so that its chairman may be perfectly bilingual, and therefore able to converse in English or in French with those who come before the board.

Moreover, Mr. Chairman, there is also the fact, which I want to point out to the minister, that the Canada Labour Relations Board is now studying the case of C.B.C. employees in connection with the splitting up of national units into natural units.

All C.B.C. employees are now members of the same union. Regardless of whether they work in British Columbia, Newfoundland, Quebec or Ontario, or whether they speak English or French, they belong to the same union.

The C.B.C. employees in Montreal want their own union because they no longer wish to belong to an international union that never looked after their interests in the past. They want their own union for the employees of the French network of the C.B.C.

That request is absolutely justified, because the C.B.C. saw fit to divide its radio and television network into the French and the English networks. And yet, today, the employees of both networks are compelled to belong to the same union, while the employees of the French network would like to have their own union.

Well, I wonder why they should be refused that since it then becomes a natural unit of negotiation.

And the refusal of that right is the more serious that it would constitute a grave precedent in labour relations for the future.

We will soon have unions of bank employees. Those employees will not come under provincial labour relations boards, but under the Canada Labour Relations Board. Then, if the same policy is adopted, Quebec bank employees, either from the Bank of Montreal,

the Royal Bank of Canada or the Toronto-Dominion Bank, will not be entitled to their own union, because of the precedent and the rules established by the Canada Labour Relations Board. They will have to be members of the same union—they will inevitably be in minority—as bank employees of other provinces, even though they do not want this. But they want their own union all this will inevitably go against the freedom of union because this freedom also means that every worker will be free to choose his union within a unit of negotiation.

I speak of precedents that this might create in the case of bank employees, but the same precedent could be created—in fact, it exists—for railway employees. There is a refusal to divide two units of negotiation. But, Mr. Chairman, I want to tell the Minister of Labour (Mr. Nicholson) that a great number of railway employees in the various brotherhoods want to change unions so as to have their own union here, in Quebec.

• (3:10 p.m.)

We are receiving scores of letters of protest from railroad employees. As a matter of fact, I mentioned it to the C.N.R. management when their report was studied two or three years ago and they told me that they did not want to split the national negotiation units.

The freedom to choose their own labour union is refused only to a group of C.N.R. and C.P.R. employees in Quebec.

Many other sectors in the labour field find themselves in the same situation, where the employees are not really free to choose but are obliged to abide by the decision of the majority from other provinces.

Mr. Chairman, I think the Minister of Labour should take those remarks into consideration and should make the necessary amendments to the Canada Labour Relations Board Act in order to give satisfaction to those who are denied freedom to choose their own unions.

Of course, there is no question of splitting the negotiation units endlessly. When the employees of a natural negotiation unit, those of the French network for instance, are concerned, it does not affect the whole matter adversely or prevent the signing of labour agreements with the C.B.C. There is no duplication because the French network is separate from the English network.

It could be the same in banks operations, where employees, in accordance with labour legislation, come under federal jurisdiction. It is the same for railway employees, national transport employees, etc.

Therefore, I believe that the minister should amend a law which, after having been tried, now tends to impose and has even imposed on a rather large group of employees a union they did not want, denying them membership in the union of their choice.

Inevitably, when there is a vote between an international union and a union which, until now, remains almost exclusively within the province of Quebec, of course, the employees of nine other provinces are more numerous—whether they work for the C.B.C., the railways or the bank—than those of Quebec alone.

Then, the nine other provinces are compelling or forcing the Quebec workers to accept the union they have chosen, thus denying Quebec employees the right to choose their own union.

Then I believe that amendments must be made to the act. I think the minister should ask the advice of the interested parties about these amendments and then present them to parliament, so that they can be passed as soon as possible.

So far as this particular case is concerned, for several weeks now, I have been asking the minister whether he has received the report of the Canada Labour Relations Board concerning the C.N.T.U. request to represent the employees of the French-speaking network of the C.B.C. The minister told me today, on the orders of the day, that he has not yet received this report. However, I think that certain details—it may only be a rumour—have come out about this report. It was also mentioned that the Canada Labour Relations Board produced an equality of voices on a vote—four against four. This may seem strange, since the board is made up of nine members, the ninth being the C.N.T.U. which, some time earlier, decided not to attend the meetings of the board.

If that is the case, the best advice I can give the C.N.T.U. leaders is to register their vote at least on this occasion, which would give a majority of five against four in favour of their request to be allowed to represent the employees of the French network of the C.B.C.

According to certain newspapers, the vote now stands at four in favour and four against. The C.N.T.U. would merely have to attend another meeting and ask for a new vote to obtain satisfaction in this respect. And even if

the C.N.T.U. acts in that way, it does not mean that the protest it has registered for some time now against the operation and the regulations of the C.L.R.B. would not be valid. Those protests would still be valid and it will be up to the Minister of Labour (Mr. Nicholson) to bring about the necessary amendments to rectify the situation.

Therefore, I should like to ask the Minister of Labour whether or not he intends, since he states that parliament alone can change the legislation in that respect, to bring forward soon the necessary amendments to rectify the situation I have just referred to.

[*English*]

Mr. Pugh: Mr. Chairman, I rise merely to ask the minister for some information. My first question is: How much does the minister estimate the average capital per worker invested in industry today to be? In other words, how much capital does it take to put a labourer into productivity? My second question relates to training and retraining. Has the department any figures which would indicate the additional cost of making a man's work effective through technical and vocational training, in which I include training within the plant in various industries?

I notice that this year the earnings of Canadian corporations are down. There are no doubt many reasons for this, including higher labour costs. There is no indication of a decline in the amount of goods produced. Indeed, most plants show an increase. Has the minister any suggestions for increasing productivity in Canada. I mention this because today, both with regard to our sales abroad and our sales at home, we are faced with greatly increased competition from other countries.

Finally, I should like to ask the minister if he is yet in a position to tell us how the changes brought about as a result of the GATT arrangements are likely to affect the Canadian production picture.

Mr. Crouse: Mr. Chairman, it is not my intention to hold up the minister's estimates for long. I listened carefully to the hon. gentleman's remarks this morning and there are a few comments I should like to place on record.

Despite his optimistic predictions I am of the opinion that all is not well in the labour field across Canada. The present uncertainty is due in no small measure to the actions taken by this government, or perhaps I should say to the lack of action on the part of this government. I would qualify this statement by adding that the Minister of Labour is one of my favourite ministers and I do not attach too much of the blame to him. I blame the government as a whole.

• (3:20 p.m.)

When the Minister of Finance introduced his budget recently we heard him predict a $740 million deficit for Canada in the next 12 months. This can only lead to one thing —inflation and higher and higher prices to the Canadian consumer. In the months ahead the Canadian housewife will find her bag of groceries containing less and less while she pays more and more. In consequence the demands made by labour for higher wages are bound to increase.

It is true we have had a high level of employment. But at the same time we have had increasing unemployment in certain areas. Here I specifically refer to the Atlantic provinces where, despite all the efforts being made by our provincial leaders, we find ourselves still unable to raise our level of employment up to the national level so it will be in proper ratio with the rest of Canada.

In addition, we have had rising inflation and a trade deficit. It seems to me that the new economics practised by this government have fallen short of their objective. The devaluation of the dollar during the Conservative administration, which I was proud and pleased to serve, and tax and credit policies designed to keep the economy moving ahead on an even keel produced the longest business expansion in Canada's peacetime history. But these policies of carefully based restraint have evidently not solved our fundamental problems and ills.

For instance, why have wage rates continued to rise while unemployment is still increasing? Why is it that labour costs per unit of production are going up when industry has just completed a three-year period of heavy capital investment? Why is it that so many products used in household operations have been marked up in price when, theoretically, competitive pressures should promote efficiency and serve as a leveling factor in our pricing structure? These developments suggest that the work force is not sufficiently mobile and does not yet have sufficient skills to make productivity rise faster than wages.

There is a rather peculiar fact about the present situation. Corporate profits have held up well, which indicates that price increases can be passed on to consumers with some

ease. This fact encourages management to agree more or less readily to labour demands for higher wages. Thus the whole inflationary spiral continues. Coupled with this is the almost relentless rise in government spending at all levels, which I believe is a major force behind recent price increases and is an open admission that today politics take priority over economic common sense.

At the present time management and labour in many industries are living in a state of fear or, conversely, in anticipation, depending on their knowledge of the outcome of the Kennedy round talks. We were informed this morning by the Minister of Trade and Commerce that the agreements reached in the Kennedy round discussions will be helpful to the fishing industry as there will be some reduction in the tariff on the fish we process and ship to the United States. But while this will be helpful to the fishing industry—and I can assure the minister that industry is desperately in need of help—I cannot help but wonder what concession was given to secure this reduction in the fish tariff.

It seems to me that individual leaders in unions and management will have to get their operations into fighting trim to withstand the competition that will be unleashed by the tearing down of tariffs resulting from the Kennedy round negotiations. Canadians in the labour and management fields will have to compete with the growing output of other industrial nations. I would like to hear from the minister whether his department has made any special plans to help Canadian labour and management cope with the new problems we will have to face as a result of the Kennedy round agreements.

[*Translation*]

Mr. Mongrain: Mr. Chairman, my remarks will be brief, first, because I would not like to repeat everything which has been said up to now, and also because I will have to leave the house in the next few minutes.

I have noticed, like many others, ever since I have been in this house, that the Department of Labour is not always a bed of roses. In fact, it is perhaps one of the departments which might be the greatest source of problems for its incumbent. I heard the hon. member for Queens-Lunenberg (Mr. Crouse) say earlier that the Minister of Labour was his favourite minister, and I understand that several hon. members feel extremely sympathetic toward the Minister of Labour (Mr. Nicholson) precisely because of the multiplicity and the seriousness of the problems he has to settle and which are, most of the time, human problems which affect closely the members of our Canadian labour force. Obviously, those problems are not always easy.

Mr. Chairman, I should like to support the remarks made earlier by my colleague for Lapointe (Mr. Grégoire) with regard to the dispute still prevailing between the C.N.T.U. and the international unions with regard to natural bargaining units. I shall not repeat all his arguments. For once, I have nothing to say against the remarks of the hon. member for Lapointe, since his comments were intelligent, objective and quite to the point, uttered on a tone which will have impressed everyone—since it was the tone of moderation—and the facts he stated speak for themselves.

The minister should take under special consideration this problem which will have even more serious repercussions than we can anticipate at the present time, in the labour world. Because it has—how would I put it—some separatist connotations, efforts should be made to remove the causes of discord.

Besides, after I heard that next year will be celebrated as the human rights year—if I understood correctly what the minister said—it does not seem natural to me that we should, on that occasion, deny some members of the labour force their freedom of representation within the Canadian Broadcasting Corporation.

Mr. Chairman, I do not want to repeat everything that was said, but I think the hon. member for Lapointe summarized what many of us think, and I should like to join him in urging the Minister of Labour to consider this matter as one of somewhat special urgency.

When the minister says that if agencies are set up by the government to handle certain responsibilities, it is not conceivable that the government should intervene, I think that his argumentation is unsound, because just the same the government and parliament are the supreme authorities here and they would not delegate their powers to organizations which would become superior to the government.

• (3:30 p.m.)

When such an important policy is involved, I think that the government should intervene; moreover, I understand that a cabinet committee has been set up to consider that question, but we have not yet heard about the results.

Mr. Chairman, I said earlier that I wanted to be brief. I simply wish to point out to the minister a matter which I find unthinkable in

Canada. I was unaware of it and I would never have imagined that a public company would tolerate such a state of affairs. I learned a few weeks ago that segregation exists in the Canadian Pacific Company. Among all those labour unions, it has been deemed advisable to tolerate a union of coloured workers comprising all non-white workers. Well, I never would have thought that, in our times, such segregation could now be tolerated in our country. I call the minister's attention to that matter and tell him that, if necessary, a piece of legislation should be passed so as to prevent such petty segregation in Canada. We are all shocked to see what is going on at present in the United States with regard to segregation and the utterly inhuman treatment to which coloured people are subjected. I would not want some foreigners to tell me one day, to my shame, that such things are also tolerated in Canada. I am sure the minister is well aware of all this. Perhaps it has not been properly impressed upon him that the situation is intolerable.

That is why I wish to draw his attention to the matter. In my opinion, and I think the great majority of hon. members in this house will agree with me, this is a blot on the escutcheon of Canada and the situation should not be tolerated, even if, as some might reply, the labour leaders themselves decided that all coloured people should belong to a single union in which there would be no whites. That is intolerable. That is another instance of the sort of segregation which was denounced in his house by the hon. member for Lapointe (Mr. Grégoire) and others in the case of the C.N.T.U. and the international unions, only I think this is even worse and more apt to discredit Canada in the eyes of the rest of the country.

This being said, Mr. Chairman, I know that, contrary to what the hon. member for Winnipeg North (Mr. Orlikow) stated a while ago, I believe in the task force established by the hon. minister. The situation is at least under study. It is being studied by people who are well informed on this matter. There may be some quibbling over the choice of the members, but should other people be chosen, I believe there would still be someone to find fault with them or to detect some tendencies that do not meet everybody's approval.

What counted here, I believe, was to do something. It is most urgent to do something, for this labour problem has become serious. Many causes have already been explained by my colleagues and I shall not refer to them here. There are numerous causes, but the problem has become exceedingly serious and it must be settled most urgently, because the whole economy of this country has been disrupted thereby, especially when we allow strikes in public services and try to solve our problem by putting it on the shoulders of the community, without any regard to the consequences they may have on the general economy.

Everyone realizes today, that in the end, those who pay the costs of strikes are still the workers. They are always the ones who get hurt.

Perhaps we might add that there are still too many labour leaders who are not aware of their responsibilities towards society and who launch strikes without first considering what they will mean to society or to the members of their unions, these workers whose interests they should protect.

I now wish to return to my main remark, and I emphasize my request to the minister to do everything in his power to take measures or to have a piece of legislation passed as quickly as possible in order to eliminate the segregation of coloured railway workers, because it is a stigma on the face of Canada.

[*English*]

Mr. Barnett: Mr. Chairman, a good deal of the discussion so far on the estimates of the Department of Labour seems to have had a rather philosophical slant. As I listened to the hon. member for Queens-Lunenburg, I thought that perhaps his remarks had caught the tone set by the minister in his introductory remarks when he referred to a lull after the more tumultuous events of a year ago. If I understood his words correctly, he said something about us now having time to catch our breath. Whether that is going to have anything to do with his approach to the estimates this year, I do not know. There is nothing wrong in attempting to philosophize in relation to our position, but I suggest that this is not a substitute for coming to grips with some of the real problems still before us. Nevertheless, I am going to be a bit philosophical myself inasmuch as the minister seems in the mood to indulge in this approach. When the minister refers to us having time to catch our breath I am somewhat concerned because perhaps what he is really saying is that parliament is going to lapse into that rather somnolent state which pervades the atmosphere of this house so often when we are dealing with problems of the working people of Canada.

The minister is perhaps mistaken when he says he feels there is a general recognition of the right and need of free collective bargaining in a free society. Let me suggest to the committee that this is a right which has been far from recognized. Most of the tumult and turmoil that engaged the attention of parliament within the last year or so had its origin in the fact that the right of collective bargaining and the rights of the working people as individuals have not been recognized by industries in the country which are opposed to such rights. All the evidence arising from those disputes and the kind of action that parliament took in those emergencies bears out the fact that there is a basic desire on the part of employers in this country to deny if possible the full and free rights of collective bargaining.

Reference has been made to a number of reports we have received. Perhaps I might make reference to the report made by Hon. C. Rhodes Smith in respect of the dispute on the west coast in the longshoring industry. As I read the evidence and arguments advanced before Mr. Justice Smith against the position which was being taken by the foremen involved, it seemed that the tenor of the employer's presentation was to deny the rights of those people to have free collective bargaining in the manner in which they sought to have it.

When one moves into this area one immediately becomes involved quite legitimately in philosophical questions. My colleague, the hon. member for Winnipeg North, made reference to the task force. The minister and others have already made reference to the Freedman report. The question arises as to why we need all these studies, particularly the so-called task force study. I suggest that the only real reason the minister and his colleagues need this task force at the present time, after the experience of last year, is that they really do not know where they are going or they are deliberately indulging in stalling with a desire in fact to delay the recognition of the rights of free individuals in a free society and what the minister has described as the group right of collective bargaining.

This brings us right back to what I feel is a basic question in our society, namely, which has priority, the right of property or the right of person? This is a basic battle that has been going on at least since the industrial revolution which came about in a world where certain concepts of property rights were already well established and ingrained in the outlook and philosophy of the people who were at the top of society.

• (3:40 p.m.)

In my opinion we do not need a task force at this time. We have the knowledge and experience necessary so that parliament can come to grips with any changes in labour legislation that are required. This is particularly so if we have a clear concept of where we are going and if parliament is clearly prepared, as I am, to put the right of person before the right of property and to recognize what is perhaps axiomatic, that all wealth arises from the application of the mind and muscle of man through ability, training and experience. Without that application of human effort there is no wealth and there is no sustenance.

This is the crux of the question and this is why I was disturbed when the minister commenced his discussion of his estimates by saying that we now have time to catch our breath. In making that comment I can appreciate the minister's personal feeling about having a little time to catch his breath after the experience he had during the earlier months of his tenure in this portfolio. But what concerns me is that the Minister of Labour and his department are once again being shoved off to the periphery, as it were of the main operations of parliament. We are moving back to what seems to be our normal position where pronouncements like the one made today by the Minister of Trade and Commerce are much closer to the centre of attention.

If I may say so without any desire to give personal offence, I believe my contention in this connection is borne out by the tenor of the remarks I have listened to so far from speakers representing the official opposition. Their remarks have shown quite clearly a recognition on their part that property still is and still should have prior right over the rights of people.

Mr. Pugh: Oh, fiddle.

Mr. Barnett: That is the only conclusion I can draw from the tenor of the remarks made. The minister really has not made his own position clear. I believe him when he says he recognizes the idea of free collective bargaining in a free society. But he does not really come to grips with definitions of what is free collective bargaining, what is a free society and who is to have freedom for what.

I believe that this artificial equation, as it were, of the balance between the rights of management, as they are so often erroneously referred to, and labour is at the root of much of the misunderstanding and indecision with which we approach labour questions. I argue that if we were clearly prepared to give prior right to the needs and rights of people, some of these peripheral arguments about the balance of power in labour legislation and so on would fade into the background and we could view these questions in much better perspective.

The same indecision to which I have referred pervades not only this parliament but the actions taken by the governments of the provinces generally. I believe the fact that we are a federal state compounds the confusion and results in delay in effective action being taken.

Let me again make reference to another of the almost innumerable reports we have received in this field in recent years. I have in my hand a summary review of information related to the problems of wage and price disputes in the British Columbia fishing industry. This review was prepared by a federal-provincial committee. Its publication date is November, 1964. It was heralded at the time as being a far reaching document which would bring about a real change in the whole relationship of people in the fishing industry on the west coast of Canada. To use the well worn phrase used by the hon. member for Winnipeg North about the Freedman report, this review has been gathering dust ever since it was published. I have never heard one word, as far as I can remember, from the Minister of Fisheries about it, let alone from the Minister of Labour. So far as the British Columbia department of labour is concerned, they seem to have been very carefully sitting on their hands in respect of it ever since.

I do not need to go into detail with the Minister of Labour, coming as he does from a British Columbia constituency, to remind him that at the present time there is a rather unholy mess in the whole question of the rationale of action in the fishing industry on the British Columbia coast. We are still in the position where federal jurisdiction in this matter rests, as it has rested for many years, with the combines investigation branch of the federal government. Year after year we pass renewing legislation in this regard. I believe we renewed the legislation for a year and a half the last time, and it must be reaching the point of expiry.

Mr. Nicholson: I think there is legislation in perpetuity now.

Mr. Barnett: The minister says it is in perpetuity now. Perhaps the minister's philosophic approach gives us an opportunity of expressing our views as to the real questions we should be facing when we discuss the estimates of his department.

My reference to the report on the matter of wage and price disputes in the British Columbia fishing industry, and my awareness of the fact that there are in this situation overlapping areas of federal and provincial jurisdiction, led me to take a fresh look at the British North America Act and in particular sections 91 and 92 where the division is made between federal and provincial authority, that is, as between the parliament of Canada and the legislatures of the provinces. Reading those sections of the British North America Act again from the point of view of a consideration of the estimates of the Minister of Labour caused me to realize in a way I had never realized before that nowhere in either the federal or provincial powers as set out in the British North America act is reference made to the question of labour jurisdiction. This re-emphasizes the fact that uppermost in the minds of the people who framed the section and in the minds of those who were in positions of political leadership and power in that day was the idea that such questions were relatively unimportant, not important enough to be clearly defined in any sense of the word. That is my view.

I think one might develop an argument that section 91 (2), which assigns to the federal authority the regulation of trade and commerce, might be construed as meaning that the federal parliament has complete authority over all matters affecting labour relations, if one were to accept the thesis still accepted in the house of the balance of rights as between labour and management as if they were two equal and separate entities which should be dealt with in our laws in that way. I suggest that this theory categorizes working people as commodities in the field of trade and commerce. I also suggest this is to too great an extent the manner in which we approach labour legislation. In other words, we tend to look upon labour as a commodity, something to be dealt with in the field of trade and commerce. If one were to follow that principle through, of course, one might argue that constitutionally this parliament could regulate all matters relating to labour relations so far as employers in this country are concerned.

• (3:50 p.m.)

On the other hand, if you look at section 92 and read paragraph 13, to which reference is made so often, regarding provincial jurisdiction over property and civil rights, the other side of the argument is revealed, namely that the provinces have a prior right in the labour field. Here again, I would remind the house that in paragraph 13 of section 92 the emphasis is on property, and civil rights is tacked on as an incidental item. I am inclined to agree with those who suggest that we need constitutional amendments, but I feel that the constitutional change which is perhaps of paramount importance will involve the rewriting of the constitution so as to put emphasis on such matters as labour relations.

In his statement, the minister made some reference to the work being done by his department in the field of human rights through such agencies as the I.L.O. I certainly agree with the minister that we have some very competent and, if I may say so without sounding condescending, well meaning people working in these fields in his department and in other branches of the government. I am not trying to downgrade the approach that is being taken by such bodies as the I.L.O. to raising the living standards and carrying on the process of education of people around the world, particularly with respect to the rights of individuals. However, this is a long and slow process. I suggest that it should not only be undertaken under the auspices of the I.L.O. but that the Canadian government or the Canadian parliament should come to grips with it much more directly through some immediate action rather than by perpetuating the process of setting up commissions and task forces ad nauseam.

The remarks which the minister made with regard to the reorganization of his department and the mobilization of competent people in the three divisions which he enumerated were very interesting, but the administrative machinery and its improvement is not of such great importance. What we need in this parliament now are proposals which would give a real sense of direction to the people he has in his department and to those he said he will mobilize. It is not enough to have people making studies about studies about studies. It is not enough to have an administrative force at work administrating acts with regard to the protection of the labour force, which have not yet been applied to the full extent.

What some of us would like to hear from the minister before the estimates are passed is a clearcut statement on the legislative proposals which he intends to place before parliament before this session is concluded. We want to know whether the minister and the government intend to bring forward legislation in the field of industrial relations and unemployment insurance, and an implementation of the principles enunciated in the Freedman report. In our view, these matters have been under study for quite long enough to permit the minister to make up his mind. We would like to know on which side of the fence the government proposes to sit, whether on the side of human rights or on the side of property, or will it try to straddle the fence as has been done so often by previous Liberal governments? These are the kinds of questions to which we want answers when dealing with these estimates. We do not expect the minister to say that starting on Monday morning he will bring forward these measures, but we would like to know what proposals the government intends to put forward when parliament reassembles in the fall. I do not know whether or not the Minister of Labour can answer all the questions concerning priorities. However, we had hoped that before the minister was asked to come before the house with his estimates he would have had some clearcut indication and direction from the Prime Minister or the house leader with regard to their intentions concerning this legislation.

Mr. Cowan: Mr. Chairman, I understand I have the floor at this time but I am prepared to yield to the hon. member for Oxford as I believe he is catching an earlier plane than I am. If it is agreeable to the house, I will yield to the hon. member for Oxford and speak after he has completed his remarks.

Some hon. Members: Agreed.

Mr. Nesbitt: Mr. Chairman, first of all I wish to thank my friend, the hon. member for York-Humber, for his courtesy in this regard, although I do not think it was necessary. I do not believe either of us will speak at any great length, but I thank him very much and I appreciate his courtesy.

It was my understanding earlier today that the minister intended to deal first with the estimates of the Department of Labour, then with the Unemployment Insurance Commission, followed by the Central Mortgage and Housing Corporation. I think we would all agree with the logic of this approach. I

had hoped this afternoon to make some observations which relate indirectly, and sometimes perhaps directly, to the Unemployment Insurance Commission. The reason I feel that I should do so at this time is that since the debate on the spending estimates of the government is now restricted to 30 days the minister's estimates may not be before the house again. So, I feel I should make these brief observations at this time.

We have been promised by successive governments for years that the Unemployment Insurance Act would be revised. I think every member of the house understands why a long time is needed to prepare a revision of this act. I do not think there is any federal act that has been the cause of more individual hardship, contention and problems than has this particular one. If anyone has doubts as to my observations, I think any member in this house would support my views. I do not suppose there has been a member in the house who has not had constant problems relating to the administration of the Unemployment Insurance Act, and I do not think there is any federal act that is more in need of revision. The whole concept of the act seems to be misunderstood by a vast majority of the public. Many persons seem to think that unemployment insurance is some sort of pension fund, and if they have never drawn on it they are entitled to do so. This is something like fire insurance in respect of which you pay in and may never have to use it. Undoubtedly when the present act was established a situation existed in Canada where there was anything but full employment. Even during the last few years when we had almost total employment in many parts of the country, many strange things have come about and people have been obliged to make the contributions to the unemployment insurance fund. Under the strict interpretation of the act these people were never intended to pay into the fund. Certainly many professional people who come under the act will never collect the insurance. Nevertheless they are obliged to pay. I know I had to pay it myself on one occasion when I was a law student. This sort of anomaly must be corrected. The minister has told us that there will be a new act soon. I hope it will be very soon.

• (4:00 p.m.)

Despite the difficulties I believe the act has worked out very well, but there certainly is much need for improvement. I suppose if one wished to do so, one could spend many hours in the house reciting inequities, iniquities and anomalies which appear in the present act. People have received unemployment insurance who should never have received it. On the other hand, there are many cases where people should have been paid unemployment insurance and were not. I am sure those who administer the act are aware of these problems. When administering a law one has to carry out the law and the regulations as they read; there is not much room for discretion. There is, however, one plea which I should like to make to the minister at this time. In view of the fact we are advised that the new act will be ready, we hope before long, and in view of the fact that the present act is enforced strictly, I would suggest that in some cases the enforcement of the new act might be a little less strict. At one time I acted as a crown attorney and I know, as I believe most of us know, that if every small bylaw or other law were enforced by the police officers there is not one person in this chamber or in the country who would not have had a conviction for some petty offence. For example, I might mention the speeding laws under the highway traffic act.

There are situations such as these in respect of which I believe discretion and common sense must be used in the enforcement of the law. Those persons who presently are charged with the responsibility of administering the Unemployment Insurance Act certainly are very enthusiastic. They are doing a wonderful job so far as enforcement of the act is concerned. They are providing a good deal of money for the fund which will be available for a rainy day. This is fine; but I think a great many inequities have resulted. I should like to ask the minister to use his good offices in this regard. I know that enforcement does not come directly under the responsibility of the minister, but I would hope that he would try to alleviate some of the difficulties.

There are two problems in particular which I should like to mention. One is the reign of terror which has been carried out in respect of the barbers of this country. I know that in some instances, in places such as Toronto and Montreal, there are hairdressers who employ people and pay them a salary. In these cases they pay into the unemployment insurance fund, and this is quite proper. However, in some cases the barber rents the premises and then sublets a chair to another barber. They each buy their own supplies. I know of a case—and this is quite general—where the officers arrived at the barber shop and said, "You have to pay unemployment insurance". On occasion I have advised barbers not to pay it

because they could not possibly come under the act. If they file a declaration of partnership, take the matter to court and have it settled, that is fine; but there are many people who do not want to go to court. They assume that it will cost a good deal of money to fight the government which has so much legal talent at its disposal. A lot of people pay unemployment insurance rather than fight; they are afraid to oppose the government. These people should never have to pay it at all. I know of some cases where they have refused to pay and did not hear anything further.

There is another situation in which many people in this country have been involved, including parliamentarians. This is a situation where a cattle auctioneer holds a sale and obtains help from other cattle dealers or farmers who come in for a few hours a week. In many cases they have been doing this for years. Now, it has been decided that these people should pay unemployment insurance. In cases where the money has not been collected, these people are being soaked—if I may use that expression—for arrears for a number of years. One such case is presently under appeal before the commission. It is quite clear that this is not a master and servant relationship. It was never intended that such people should pay into the unemployment insurance fund; they are not on the labour market and possibly never will be. These people in many instances are farm operators. There are many situations like this which are pure nonsense. I know there may be those who will say, "We have some colour of right to try to collect unemployment insurance". This should not be done and is not the intention.

In view of the fact that the act is to be revised, and in view of the fact that some of these anomalies are to be removed, I hope the minister will use his good offices to see that the enforcement of the act is a little less enthusiastic than it has been in the past. It has been said that ignorance of the law is no excuse. That maxim may have applied in the early days in England when there were not many laws and regulations. It was quite sensible in those days to assume that the public ought to be cognizant of the laws which existed. Nowadays, however, with the growth of the government in every field of life and with the many regulations which exist in respect of every department of government, how could the general public be expected to know about every obscure regulation which is published in the *Canada Gazette*. Who reads the *Canada Gazette*? Why should people be dragged in by the officers and told that even though they did not know about a certain regulation they are going to be investigated and made to pay, even if it means bankruptcy. In this day and age, when the government is extending its influence into every walk of life, I hope that the minister, his colleagues, and others who are responsible will see that regulations which affect large numbers of citizens are posted up and advertised in all the newspapers and periodicals. Then, the members of the public will know what they are up against.

I believe we should adjust to the times. It is not good enough to say that ignorance of the law is no excuse. That might have been all right 100 years ago but it is not good enough today. All levels of government which pass regulations should ensure that the average person has a reasonable opportunity of being made aware of these regulations before they are enforced so that unnecessary hardship will not be imposed. I hope the minister and his colleagues will consider all these things which affect every one of us today.

• (4:10 p.m.)

Mr. Cowan: The few remarks I wish to make this afternoon I had intended to express on the estimates of the Department of National Health and Welfare. But as the hon. member for Oxford who preceded me remarked, you can never tell when estimates are to come before the house and when an opportunity will be given to you to express yourself. I have taken the opportunity under the heading of the Department of Labour to speak of working conditions in the veterans' hospitals of the Dominion of Canada which are directly under the jurisdiction of the federal government and not under any provincial departments of labour.

For some years past, I have been advocating that working conditions for nurses in the hospitals of the nation are lamentable and deplorable. I believe that the small number of girls coming forward as students of nursing shows the girls realize that nursing is not one of the great professions of this country so far as material gain is concerned. They are shunning nursing.

In the newspapers of yesterday and today there are long reports of statements about the nurse shortage in the country. One report, of yesterday is based on a statement made by the Ontario Hospitals Association before the Ontario committee on the healing arts which

is sitting throughout the province at the present time. Today we have many reports in the newspapers and on the radio because of an address given to the Canadian Medical Association manpower conference, which is being held in Montreal, by Doctor Helen K. Mussallem, executive director of the Canadian Nurses Association. Doctor Mussallem, in her comments before the Canadian Medical Association, emphasized that unless substandard salaries and working conditions in nursing are corrected there will be a much greater shortage of nurses in the immediate future than we have at the present time. Just now the shortage of nurses is such that hospital wards are being closed because no one can be found to staff them. I am thinking, in particular, of a large ward at the General and Marine Hospital in Owen Sound, Ontario. The announcement has been made that it will be closed completely because the Board of Governors cannot staff the institution to the point that all the beds in the institution can be handled.

This is not an isolated instance. There are many other centres where a lack of nurses has forced hospitals to close wings. Sometimes they have been unable to open new additions because of lack of nursing staff.

I maintain that if the pay being offered to the nurses was satisfactory, girls would come forward to take up nursing, as their mothers and grandmothers did before them.

Doctor Mussallem, in her remarks before the Canadian Medical Association yesterday, produced some figures that could do nothing but disturb anyone who turns them over in his mind. She pointed out, for instance, that recruitment to nursing schools has dropped steadily:

> In 1940 about a quarter of all female high school graduates entered nursing. In 1966 this had declined from 25 per cent to 8 per cent. Unless drastic changes are made Canada can look forward to fewer than 5 per cent of high school girls entering nursing, Dr. Mussallem said—
>
> Poor salaries and working conditions were tolerated when professional opportunities for women were limited but that era is past, she said. Teachers, for example, have jumped far ahead of nurses and in many areas where nursing recruitment has dropped teaching has gone up.

Anyone must realize that young girls in secondary school are intelligent; they survey the possibilities of a profitable career in the various avenues open to them in their teens. Certainly, anyone can witness the situation in nursing.

[Mr. Cowan.]

I have an instance in mind of a young girl I know well. She is a married woman, a member of the church I attend, a graduate in nursing of a hospital in Alberta. She nursed in Alberta for many years, married an R.C.A.F. man when they were both at Cold Lake, Alberta, and came east. For several years she nursed in Toronto; today she is working in a factory—working in a factory because of the regular hours of employment, eight to twelve, and one to five, with no work on Saturdays, Sundays or holidays, and no night work whatsoever. That girl is a professional; she is a graduate of a well qualified hospital school in Alberta.

I can think of another young girl who right now is working in the parliament buildings in the stenographer's pool for the Senate. Her people were born in Ottawa, moved to Vancouver and have been there for ten years. The girl thought she would like to be a nursing student here, in Ottawa, where her grandparents live. She came east to Ottawa and applied to enter a hospital training school for nurses. She was advised that she lacked one subject in her grade 13 paper and considered, for a while, taking one year's study to pick up that one subject in order to satisfy the demands of the hospital school. Friends of hers said: "You can make more money as a stenographer working for the government, in the parliament buildings, and you do not have to work Saturdays, Sundays, nights or holidays; you will work as a regular human being works and you will make as much money as a nurse makes as soon as you have taken a six months business training course."

The girl took the six months business training course in the city of Ottawa and she is now working in the secretaries' pool of the Senate—a would-be nurse lost to the profession because of the attractions that other occupations open to a girl had for her, and because she was told that she lacked one of her grade 13 subjects.

I know of another girl, but this one used to work in the florist business. Because weddings are numerous on Saturdays, florist shops are open on Saturdays. That is the busiest day of their week. No employee of a florist shop may have Saturday off because of the heavy volume of business that day. Girls who are qualified to work in florist shops are hard to find. Most girls want to work a five day week, from Monday to Friday; they want regular working hours from eight to twelve and one to five. The young girl to whom I refer now works for the Ontario government. She has no Saturday work. I merely cite the

instance of the florist shop to show that girls will work in an industry which gives them the most attractive working conditions which covers both pay and hours.

Now, we come to nursing in veterans hospitals. Two years ago the federal cabinet approved a shift differential for nurses in veterans hospitals. I was overjoyed at the progressive step which was taken by the cabinet and the Department of Veterans Affairs and on two occasions in this house I congratulated the present Minister of Veterans Affairs for his foresight in introducing shift differential rates of pay for nurses in veterans hospitals. I am sorry to say it took me about one year to learn what kind of treatment the federal cabinet was handing the nurses in veterans hospitals on shift differentials. I protested about this in the past and I protest now.

Shift differentials are an established method of payment for labour throughout the Dominion of Canada. Why it took so long to introduce shift differentials into the Department of Veterans Affairs hospitals I do not know—but it took years.

Now that we have the shift differentials it is ridiculous that the federal government pays only 8 cents an hour on the evening shift and 12 cents an hour on the night shift. These differentials are miserly, low and inadequate. They would never attract any nurses to a veterans hospital.

They have shift differentials in the province of Quebec and shift differentials in the province of Saskatchewan, and they are much higher than the Canadian government's. But the federal government pays only an 8 cents an hour shift differential for the evening shift and a 12 cents an hour differential on the night shift.

• (4:20 p.m.)

I wish to draw to the minister's attention the ridiculous situation which exists, because the Department of Veterans Affairs does not pay the evening shift differential on the eight hours work for the evening nor the night shift differential for the eight hours spent on the night shift. The federal government pays an additional eight cents an hour on the evening shift only from 6 p.m. to midnight, arguing that the time from four in the afternoon to 6 p.m. is part of day working hours and that the employee is therefore only entitled to day rates during that period. Then with regard to the night shift, the federal government says the nurses are working night hours only until 6 a.m.—the two hours after that are day hours and the differential should be paid only in respect of the hours from midnight to 6 a.m.

I have been in business, Mr. Chairman, for more than 40 years. At one time we had as many as 17 unions in the organization with which I was connected. I had never heard of any employer who split the hours of a shift into day hours or evening hours, or night hours and day hours until the Department of Veterans Affairs came out with this pitiful scheme when it introduced shift differentials into nurses pay for the first time.

I made many inquiries of unions and labour leaders and none could tell me of any case where shift differentials were being paid by the hour rather than by whole shifts. I am sorry to say that in Britain, when I was there this past July with the veterans affairs committee, I ascertained that the British government pays the nurses employed in the hospitals of Britain on the same basis. I was disturbed to find a labour government in Britain approving a system whereby the hours of a shift are divided into day or evening hours, or night and day hours so that the differential rate would not apply to the complete eight hours of labour. I call upon the Minister of Labour of Canada, now that we are considering his estimates, to see that the shift differential is paid for the full eight hours of employment on each shift as is done in all other industries. It is a low enough shift differential to start with, but I maintain it should be paid for the full eight hours.

In Britain, though, I came up with one discovery which pleased me immensely. I ascertained that for about two years they have been paying a day premium rate of pay on Sundays in the hospitals of Britain. They pay one pound more on Sundays than on other days of the week. By paying this premium rate, they are able to attract for weekend employment persons who do not work in the nursing profession during the other days of the week but who are prepared to go back on Sundays for this extra pound which is known in labour circles as a day premium rate.

We shall never overcome the shortage of nurses until we offer rates of pay in the nursing profession which are sufficient to attract girls from other professions. Why would any girl choose to work at nursing on Saturdays, Sundays and holidays if she is to receive no more than she would earn as a stenographer working from 8 a.m. to 5 p.m., five days a week? We all admit that man's work is from sun to sun and it is not right to

expect people to work at other hours than the hours of daylight for the same rates of pay as those who work day shift hours. It is not natural.

So, having established differential rates of pay in hospitals under federal jurisdiction to compensate for services which are provided during what are known in labour circles as unnatural hours, we should also establish day premium rates of pay whereby girls who work on Saturday, Sundays and holidays would be well compensated for working on those days when the great bulk of the labour force is not employed.

Consider the case of an employee in the printing trade in Toronto who under day premium rates of pay may be receiving three times the ordinary rate because he is working on a holiday. He receives this rate under the terms of the union agreement, and I do not quarrel with triple pay on a public holiday in certain circumstances. But it has always struck me as ridiculous that if this man is injured while at work on a public holiday he is rushed to a hospital where one hears complaints about a shortage of nurses because there are not enough nurses willing to work at a single rate of pay to provide the man with the care he needs. If the injured are working at triple rates of pay, why should not the nurses who are on duty to look after them on Sundays and holidays be paid on the same basis?

I believe every right thinking Canadian will be disturbed to read the figures presented yesterday by Dr. Mussallem before the Canadian Medical Association. She told the manpower conference in Montreal:

> Recruitment to nursing schools has dropped steadily. In 1940 about a quarter of all female high school graduates entered nursing. In 1966 this had declined from 25 per cent to 8 per cent.

We have to change the substandard working conditions and pay of nurses before we can hope to attract young people into a profession which is steadily losing staff at the present time. I call on the Minister of Labour, who should be the leader in establishing suitable working conditions which could serve as a model to the rest of Canada, to see that in the veterans' hospitals of the dominion, for which the federal government is responsible, we establish rates of pay which will be attractive to young women and which will induce them to enter the nursing profession so that their services will be available in times of need, accident and injury.

[Mr. Cowan.]

• (4:30 p.m.)

[*Translation*]

Mr. Gauthier: Mr. Chairman, I shall not speak at length but I should like, on this occasion, to second the member for Oxford (Mr. Nesbitt) who dealt with a topic in which we are greatly interested, namely unemployment insurance.

I too wish to draw the attention of the Minister of Labour (Mr. Nicholson) to that point, since he intends to amend the Unemployment Insurance Act. May I point out two or three specific aspects which are peculiar to our area and which probably cause all the present uneasiness in the administration of unemployment insurance.

I believe the first concern, when the act was passed, was to help the unemployed. However, the door was also opened to certain injustices and this, to the extent where one wonders today if the act, in its present form, is not more a system of penalties than one of assistance to the unemployed.

Mr. Chairman, the first point to which I should like to draw the attention of the minister is the reduction in the number of unemployment insurance offices which was probably undertaken by senior officials who looked at the whole of Canada but did not visit each region to find out the conditions there and, in particular, did not measure the distances involved.

Several offices were closed in my region as a result of this reform and the workers now have to travel 150 miles to see the office chief. That is good and even wonderful for these officials, for they do not have callers very often, but I assure you it does not at all suit the worker who is unemployed, without money, and told that, for this reason, he will not get any benefits for 4, 5 and even 6 weeks. That is the way it is usually put; he is told that, under the terms of a certain clause, he is penalized for 4 or 5 weeks. In most cases, I believe, the penalty is decided upon according to what I would call the verdict of the employer.

Most of the workers in my region are lumberjacks. This is a rather unusual job, but let us take for example the case of a lumberjack who agrees to work for a contractor. If the contractor has 200 or 300 lumberjacks working for him, he cannot treat them all equally. One lumberjack will make a normal salary, because he works on a good piece of land, while another will find inferior working conditions. If the second lumberjack works for a month or a month and a half making a small

salary, because he is not assigned to a good part of the bush or because the foreman does not happen to like him, he will get discouraged and finally leave his job. So he leaves his job which does not pay him enough to keep his family alive, and I have proof of this. So he is forced to leave his job to take a chance elsewhere. But, then, the contractor simply gives the reason for departure: job not terminated—work not terminated. I would like to call the attention of the minister particularly to these words: work not terminated. Then, when the man goes to the unemployment insurance office and has this report on his file, he is punished for a month or two, because he left a non-paying job which did not bring in sufficient wages to keep his family alive. He is punished for not having stayed on this ridiculous job.

I think that calling the minister's attention to this point will prompt him to review the Unemployment Insurance Act and to consider this paragraph which, in fact, gives complete authority and domination to the employer over his employee.

Most employers are fair and honest, but to avoid such injustice occurring too often because some employers want revenge on the worker, well, the next legislation will have to give more protection to the employee.

There is also the case of the farmer who goes in the bush during winter months. He works in the bush for two, three, four months and he is told that an amount is being deducted from his salary for his unemployment insurance. He is not even consulted about it. When spring comes, he cannot get any benefits. Why? Because that farmer has two, three, five or ten milch cows; he has an income, and that prevents him from getting benefits.

Mr. Chairman, I again call the attention of the hon. minister to this point. I think it is the inspectors who do not understand the meaning of the law. They do not know how to enforce it in the case of workers such as those. I suggest that in the case of that man, who had to work six months, perhaps seven in the bush, his main work is not that of taking care of his animals in the barn—since his sons and his wife are doing that—his main work is that of a lumberjack and he should therefore qualify.

For years already, since the coming into force of the Unemployment Insurance Act, we have been trying to do justice to those workers and the answer we get is: The law is the law. Well, the law is made to be interpreted. In my opinion, some investigators stick too close to the law. It will have to be made clearer to ensure fairness to farmers on the part of those investigators. Farmers must be able to benefit by unemployment insurance when they cease lumber operations in the spring. If they cannot be covered by it, let them not be charged the unemployment insurance premium. I believe that the one who pays—no matter what interpretation you give to the act—has a right to draw benefits when misfortune strikes.

• (4:40 p.m.)

It is somewhat like fire insurance or any other type of insurance. If it were a private fire insurance company which did not want too honour claims when the premium had been paid, well the policy-holder would go to court and win his case. But since the government is involved, any excuse is contrived, any investigation is conducted and the investigator always has the last word. You will say perhaps: of course, but there is arbitration. Well, Mr. Chairman, I have suggested arbitration to several of them, but now when the subject of arbitration is brought up, I tell them: Do not go, it is useless. Following the investigation, the investigator's ruling is upheld and that is that.

I think, Mr. Chairman, that those few remarks about lumbermen and farmers will be well received by the minister and that the new amended legislation will do justice to those two groups of workers.

There is also the case of a son employed by his father. I had the opportunity to make inquiries and plead the case of some of them, for instance, a son who worked as a cheesemaker for three years for his father. The son did not own the cheese dairy at all, and he was denied the unemployment insurance precisely because his father was the owner. Well now, I think that there is still something to be done here. When a pater familias employs his son, or any other relative, these employees should be considered as mere workers and should be eligible for unemployment insurance benefits. Once again, since they were allowed to pay the dues, they must benefit from the protection of unemployment insurance.

These are the few observations I wanted to make. I do not want to extend the discussion. I am sure that the hon. minister will make a note of these few comments.

Mr. Pelletier: Mr. Chairman, I will only take a few minutes to refer to the question raised by the hon. member for Lapointe (Mr.

Grégoire) a few moments ago and a little later, by the hon. member for Trois-Rivières (Mr. Mongrain).

This concerns the problems of the Confederation of National Trade Unions with the Canada Labour Relations Board. And, for once, I fully agree with the hon. member for Lapointe. I am even surprised that he should have spoken as he did, in view of the separatist views which dominate the political action of the hon. member for Lapointe.

Indeed, Mr. Chairman, if I shared his convictions, I would endeavour to prevent any change in the procedures followed by the C.L.R.B. for I am quite convinced that the present state of affairs within that federal agency, already stirs up great dissatisfaction with federal institutions, and will continue to do so, in an increasing number of Quebec workers. Now, it so happens that workers, as a group, have until now been the least influenced in Quebec by the separatist movement and the fever of constitutional change now disturbing our province.

However, if the C.L.R.B. procedures are not changed, Mr. Chairman, I greatly fear, and I am not the only one, that dissatisfaction will overcome our workers and that, because of readily corrected anomalies, we may witness the development in the working people of an atmosphere prone to degenerate later into political strikes and other demonstrations of all kinds, of no benefit to anyone.

I do not propose now to repeat the arguments advanced by the hon. member for Lapointe (Mr. Grégoire). They are already well known by the parties concerned.

There is another one, however, which I would like to place on record. It deals with the disparity of representation between the C.N.T.U. and the C.L.C. and with the effects of such disparity on C.L.R.B. decisions regarding union certification.

The C.L.C. has three representatives and the C.N.T.U. only one. So when it comes to certifying a union for which the two groups are competing, this disproportion becomes odious, notwithstanding the fact that four other representatives, those of the employers, also have their say.

In such a case, Mr. Chairman, the C.L.R.B. has duties which are nearly judicial and because it carries out responsibilities of that nature, it must guarantee the party seeking justice the same impartiality guaranteed by ordinary courts. Now the ordinary citizen has the right to obtain justice before the courts and also every right to believe that he is getting it.

I submit, Mr. Chairman, that the C.N.T.U. workers have, on the contrary, serious reasons to distrust the C.L.R.B. in its present condition, not because of its members, but because of its very constitution, since the representatives of a rival union or those of employers do not appear suitable to judge impartially, and it seems to me extremely important that the chairman of the board should be called upon to decide alone when the C.N.T.U. and the C.L.C. are competing for certification.

Finally, if the rumour is true, if the C.L.R.B. has actually postponed for several months its decision concerning the C.B.C. employees in Montreal, I cannot exaggerate the danger of such action.

For months already, the board has been considering that problem. Another delay of several months might wear out the patience of those workers, which has proved very resilient until now but which seems on the point of giving out.

Of course, there is no question of urging the government to influence the decisions of the C.L.R.B. On the contrary, it is important to respect the independence of that body. But it is necessary also to realize the danger, and if an amendment to the act itself is needed to solve the problem, the minister must not hesitate to introduce in the house the amendments called for.

[*English*]

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, I appreciate the opportunity of having a few moments to say a word or two about the estimates of the Department of Labour. First of all, let me say I will not be making a philosophical dissertation. I think my remarks could more readily be associated with a bread and butter speech. Someone this afternoon said a lot of philosophical discussion was taking place. It is not my intention to partake in such a discussion. I will leave that to the professorial types.

Regrettably, I was not in the chamber, because of other duties, when the minister made his introductory statement. However, I presume it was an optimistic statement and that the minister referred to the unemployment rate and the situation throughout Canada. Unfortunately, we have a bad situation in the maritimes where the unemployment rate is twice the national average, according to the latest statistics. I hope today I will have the

sympathetic ear of the minister, and somehow I feel I will.

I must commend the minister for his activity. Since coming into this house he has served in several portfolios, and I am sure everyone will agree that he has done a very good job in any portfolio which he has held, and that he has been most co-operative at all times. He has been frank, fair and straightforward in all his dealings with members, and I speak from experience. That is why I expect to have a sympathetic ear today.

We have been discussing for several days in this house the problems confronting the maritime provinces, particularly Cape Breton Island on the eastern tip of Canada. Great problems exist there in respect of layoffs in the steel industry. During our discussion of these estimates I should think it appropriate to devote some time to this subject, because the greater the number of individuals laid off the more the government is going to have to pay out in unemployment insurance benefits, and this comes within the responsibility of the minister's department.

For several months we have observed a difficult situation at the steel plant in Sydney. This organization comes under the jurisdiction of Dosco, which comes under the jurisdiction of some other corporation, which again comes under the jurisdiction of the Hawker-Siddeley group which has its headquarters in London, England. It would appear that since this absentee management moved into the area ten years ago there has been nothing but a deterioration, not only of the steel industry there but of the coal industry in Nova Scotia. It is an unfortunate, sad and sorry thing that the employees of this corporation, their wives and children, and all those involved in the service trades who depend on this industry, should be at the mercy and whim of this corporation. The climate of fear and uncertainty in the steel industry has not only created hardship to the men and their families who are directly involved, it has been positively damaging to our over-all economic prospects.

• (4:50 p.m.)

Where there is doubt as to the future of such an industry as basic as steel is to the economy of Cape Breton, Nova Scotia, and indeed to the maritimes in general, those who operate existing small businesses or industries are apt to be hesitant to expand. The psychological effect on prospective new industries can be very damaging. I hope that when the Cape Breton Development Corporation is set up, and when it is considering bringing new industry into the area, it will realize that the present basic industries are in trouble.

Recently, the government of Canada approved grants totalling $3.7 million and the provincial government approved grants of $2 million for the modernization of dock and bulk handling facilities at the plant. At the time, government spokesmen said this financial assistance would make it possible for the company to invest additional capital in the modernization of the plant itself.

I should like at this point to place on the record a statement by the cabinet representative for Nova Scotia, or a portion of it because I see that I do not have time to read it all into the record. I quote from the Cape Breton *Post* of May 27, 1967. This article is headed, "MacEachen! Confidence In Steel Industry," and reads:

A vote of confidence in the city's steel industry was recorded here Friday when federal health minister Allan MacEachen released details of provincial-federal financing of the multi-million dollar pier project at the Sydney steel plant—

He said the grants were approved on the understanding that the company will make a similar expenditure.

Mr. MacEachen said the government grants are part of a government industry program to update Dosco's shipping facilities in Cape Breton and put the plant on a competitive footing with other steel production complexes.

He said the modernization program will provide security of employment for a large number of workers in the Sydney area. He also said that if long range forecasts are borne out, the improvements could substantially strengthen employment opportunities in the area.

Mr. MacEachen said the modernization program is an encouraging example of what can be done when government and private industry work together in a spirit of co-operation and mutual understanding.

He said the federal government's grant demonstrates that Ottawa has faith in the future of the area and that it is determined to do all that it can to ensure that it participates equitably in the general prosperity which the country is now experiencing.

I regret to say that we in the Atlantic provinces are not experiencing this so-called prosperity. The article quotes the minister as follows:

"The new and improved facilities should significantly reduce handling costs and improve the competitive position of the Sydney steel industry," he said.

"And with this government assistance, it is expected that additional company capital will be freed to completely modernize the Sydney steel plant itself and bring its operating costs closer to those of other Canadian steel companies."

Mr. MacEachen said that in terms of employment, he is "extremely optimistic" that these developments will be beneficial over the long term—

Mr. MacEachen said the announcement of federal government grants to the multi-million dollar project will not solve all the economic problems of the industrial area but "I am hopeful that it will help stabilize operations in the steel segment of the Cape Breton economy."

I am sure the cabinet representative from Nova Scotia made that statement in good faith. I am sure, also, that some weeks ago the premier of Nova Scotia made his statement in good faith regarding the future of steel. In spite of all that these two hon. gentlemen have said, many, many people in the area have been laid off work. They have been laid off at the plant since these statements were made and prior to their having been made. Over a period of some months between 1,100 and 1,200 workers have been laid off, and the situation is most serious and grave.

I believe we are entitled to know from the company what the amount of this additional investment will be, what its purpose is and when the program can get under way. If governments are prepared to apply over $5 million to the modernization of this plant as an indication of their confidence in the steel industry, it should be possible to give a projection in more specific terms on the long term future of the Sydney plant. I have already in this house and outside called for a study, investigation or inquiry, sponsored by the federal government, of this subject. The government already has sufficient information available to enable it to conclude such a study in a reasonably short period of time. The terms of reference should be very clear. Those appointed to carry out the study should be instructed that their job is to investigate the steel industry, specifically with a view to recommending ways in which the long term stability of the industry may be assured. This would encompass not only what marketing policies might be undertaken in co-operation with the federal government, but also what new industries related to steel might be established in Cape Breton Island. Also, we should know what the employment situation, in respect of year-round jobs, is going to be over a five or ten-year period.

I suggest, and I trust the minister is listening very carefully, that we should have a royal commission to investigate the steel industry in Nova Scotia. We had a royal commission studying the coal industry. We have had the Duncan commission. Since I am very young, I cannot recall whether that commission was concerned with coal or the economic prospects of the maritimes, but I think it dealt with coal or both. We have had the Rand commission on coal, the Carroll commission on coal, and the Donald commission on coal. We are dealing with the report of the Donald commission in respect of the legislation to establish the Cape Breton Development Corporation.

[Mr. Muir (Cape Breton North and Victoria).]

The long term objective of this industry is to widen and strengthen our economic base. An almost exclusive dependence on the ups and downs of one or two industries has been the historic weakness of the Cape Breton economy. It would appear that this government cannot get any information from the corporation as to what their present or future plans are, if any. It would appear that the government of Nova Scotia cannot get any information from this corporation as to what their plans are, present or future. It would appear that local municipal leaders and union leaders are unable to ascertain what this corporation will do in the future.

My time is limited, so therefore I urge the minister, who is a member of the cabinet and a maritimer, who met the delegation from Sydney and heard their briefs and representations in respect of the steel industry, to consider the suggestion I have made that a royal commission be appointed to study the steel industry of Nova Scotia. The minister should talk with his cabinet colleagues and give my suggestion every consideration, so that the people in Nova Scotia will know that perhaps something will be done in the future by this government.

Mr. Knowles: Mr. Chairman, I suppose all I can do in less than a minute is to say that I have been waiting all day to make my speech but it looks as though I will have to save it for another day.

Mr. Pugh: There are 27 seconds to go.

Mr. Nicholson: Mr. Chairman, I have no idea whether other hon. members wish to speak on these estimates, but if the hon. gentleman is not going to be long perhaps we could hear him. I am not suggesting that we proceed with the other two items on the agenda, but perhaps we might conclude the discussion on the estimates of the Department of Labour this afternoon if there are no others who wish to speak.

Mr. Knowles: My speech was not going to be very long, but I know other hon. members wish to speak on these estimates and there are questions hon. members would like the minister to answer. Also, the hon. member for Brantford has a bill he would like to bring

forward at five o'clock. I am sure the Minister of Labour would not want to stand in his way. Perhaps I had better call it five o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I would like to ask the acting house leader whether he could give us a forecast of the business for the next few days.

Mr. Pickersgill: Mr. Speaker, last evening the house leader indicated that a supply motion would probably be called for Monday. But with the concurrence of the house leader, I have been having conversations with hon. gentlemen opposite and there is some prospect that arrangements can be worked out which would expedite the completion of this section of the session.

• (5:00 p.m.)

These arrangements might make it unnecessary to have that debate on those two days. If these arrangements can be completed when my hon. friend, the house leader, is back here on Monday morning, and I think I can be modestly optimistic about the prospects, then we would go right on with the estimates of the Solicitor General followed by the estimates of the Department of National Health and Welfare. If both should be completed, I am sure we could find some other estimates with which to deal.

In view of what I said, it would be preferable if I did not indicate any specific business for any day beyond Monday. However, I should like to express appreciation to hon. gentlemen opposite who, on this birthday of mine, have been most co-operative and to express restrained optimism that we may all achieve what I think all of us here and the country desire.

Mr. Pugh: You are mellowing with age, Jack.

Mr. Churchill: The minister is 39 years old today.

Mr. Knowles: Like Jack Benny.

Mr. Deputy Speaker: The house will now proceed to the consideration of private members' business listed on today's order paper, namely public bills.

CANADA ELECTIONS ACT

AMENDMENT TO REDUCE VOTING AGE

Mr. J. E. Brown (Brantford) moved the second reading of Bill No. C-5, to amend the Canada Elections Act (age of voters).

He said: Mr. Speaker, it gives me a good measure of personal satisfaction to move second reading of Bill C-5, to amend the Canada Elections Act in so far as it regulates the age of voters.

As we all know, the act at present requires voters in federal elections to be of the full age of 21 years, with the exception of those serving in the armed forces. This bill permits all those of the age of 18 years and over to vote.

I cannot but look back to when I myself was 18 years of age. I happened to be intensely interested in politics, more so than most of the young people of my age, and I am glad to say that I took part and helped in election campaigns at that age. The year before, when I was only 17 years of age, I worked very hard for the Liberal party in the riding where I lived. This was during the election of 1930 when our party was defeated pretty badly by the Conservative party under that redoubtable chieftain who became prime minister of Canada, Right Hon. R. B. Bennett.

Today, the situation is different in my opinion. Never before has such a large proportion of young people been so keenly interested in the government of this country. Never before has such a large proportion of Canada's young people been so well educated and informed in matters of public concern. Never before has such a large cross-section of young people been mentally equipped and actually ready to render a vote to help choose a suitable government for Canada.

There is one fine thing about our young people who are at present under the age of 21 years. They do not seem to be committed to any one particular political party. As a general rule, they are not partisans to any political organizations, in my opinion. One and all, they are interested only in voting intelligently after weighing the situation and the consequences of marking their ballot.

Some people have told me that if we give the franchise to this large body of minors —call them minors if you will—it will have only one major effect in the result of the next federal election, that is it will greatly increase the N.D.P. vote. That point of view is incorrect in my opinion. The N.D.P. will have to work awfully hard to win the votes of these young people. But this goes likewise for

the Liberal party, and most certainly for the Conservative party.

Each political party, and this includes all parties, will have to earn the votes of the young people of Canada the hard way. They will each be judged on the actual merits of their platforms and policies, as well as their behaviour in parliament.

No nonsense will be tolerated from any of our youth. The result is that, in my opinion, the passage of this bill of mine by this house, or its referral to a committee for study and then its subsequent passage, will have a salutary effect on the political affairs of this country, to the edification of the public, of parliament and our great institutions.

• (5:10 p.m.)

For the information of the house I should like to point out that the following provinces have lowered the voting age: Alberta to the age of 19; British Columbia, 19; Newfoundland, 19; Saskatchewan, 18; Quebec, 18. The provinces of Prince Edward Island and New Brunswick are also planning similar legislation. The voting age in the Saskatchewan municipalities is 18. In Canada today, therefore, five provinces, representing more than half of the population of this country, have lowered the voting age.

In the last ten years the House of Commons has once defeated and twice talked out private members' bills which would give the franchise to Canadians over 18. In 1963, the Commons committee on privileges and elections gave unanimous approval to amendments to the elections act which would lower the age to 18.

Recent opinion polls have shown a considerable increase of people in favour of lowering the age. The September 1966 Gallup poll reported an increase in 1958 from 33 per cent to 48 per cent in favour of lowering the age.

It is widely felt that the services the youth of this age group contribute to society entitle them to assume the responsibility of the ballot. In times of peace these young people, to a considerable extent, attain responsible places in society. In times of war their service in our armed forces has been absolutely essential. They have faced the utmost privations and hardships and have rendered even the supreme sacrifice on behalf of our country. These young people pay income tax; they are responsible in criminal law for their acts. If they are able to do these things, then they are responsible enough to have their own ballots. Young people over the age of 18 play a large role in the economic field. Therefore, they should have a vote in respect of the economic policies of this country.

The extension of the ballot to the youth of this country would be in keeping with the best principles of responsible government. A fundamental principle of our form of government is government by consent of the governed. Because the ballot in such a country essentially is a democratic right, it should be as widely available as it can properly be exercised. A large electorate promotes the realization of effective government; it better registers the popular will and provides a safeguard against disaffected elements which might otherwise work outside the law.

I am really rather proud to be the sponsor of this bill. I believe in our youth and its mighty potential. In taking the position I am taking I am being neither visionary nor idealistic; I am in no way detracting from the importance of any single age group among those who already are qualified to vote, nor am I detracting from their attitudes or opinions. I myself have appealed for the votes of the wage earners, the heads of families in my constituency who have my respect in an undiminished way, and I would have no hesitation in appealing for their votes again if I so wished. I need not add that the great body of our more senior citizens have my love and respect. They all helped to build this country and we owe them our affectionate regard. We salute them in all their future endeavours. Under this bill, however, to this great body of voters will be added the youth of our nation. These people, it is true, are young in years and experience, but they are fresh in outlook and are not tied down to traditional attitudes or points of view.

A balanced, highly rational and serious contribution by youth in the affairs of this country is, Mr. Speaker, something which is much needed in Canada. Here, when we are celebrating the 100th anniversary of confederation, I say, with all the force I can muster, let us add to the great electorate of this country the youth of Canada who are awaiting to take their part in public affairs and to lend their weight and youthful strength to the operation of government in Canada.

The bill which I sponsor today simply reduces the age requirement for all voters to 18 and over from the present requirement. The other sections, which have been examined by the law officers of the crown, substitute the words "18 years of age" for the words "21 years of age" where they appear in the act.

Actually, this bill which I am sponsoring is Liberal party policy and has been for a number of years. I am simply making an attempt to bring this much proclaimed policy into effect.

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, first may I congratulate the hon. member for Brantford (Mr. Brown) for having introduced this bill. I must say that I am entirely in agreement with everything he has said with the exception of his last little addition in which he said that this was Liberal policy. My only comment in that regard is, of course, that if it has been Liberal policy it must have been Liberal policy for some time, so why has it not been brought forward by the government or by the previous government when they had a very good opportunity to do so. The very fact that they have not introduced such a measure indicates that probably they are not prepared to do anything about it at this time. In other words, they are giving lip service to a private member's bill knowing full well that it will likely be talked out, even if they have to provide Liberal speakers prior to six o'clock tonight in order to talk it out.

As I have said, I am in complete agreement with the hon. member's bill. He cited authorities for this bill. I am completely aware of those authorities and I am in agreement with them. I should like to add that one of the greatest lifts I get comes from talking to these young people. This has been my experience for the past number of years. During my experience in the schools I found that even before they were 18 years of age they had a very good working knowledge of parliament. It has been my experience that during the question period they are able to carry on asking questions for at least an hour. These are very searching questions; they have to do with the "whys and wherefores" of parliament. They are very constructive questions. The type of questions these young people ask demonstrates that the thinking they are doing is very searching and that they are looking into the future. They know only too well that it is only a question of time before they will be doing all the things which must be done in order to run a country. They realize that they will be taking over just as youth during the past number of years of our existence always has taken over.

I should like to mention an experience I had in respect of a mock parliament which was held in a high school in the city of Penticton. It was an excellent parliament. I acted as Mr. Speaker. I enjoyed the whole thing tremendously. Of course, I was an excellent speaker. The point is that these boys and girls set up their parties; they set up a parliament. Each and every member had a seat and a desk. There were 265 members including the speaker.

• (5:20 p.m.)

They prepared good questions for orders of the day and received good answers from the government of the day. They were courteously treated. Much time was spent on this and a good job done from start to finish. The debates were short because of the time limit which had to be imposed. Orders of the day went well, as did the three short debates, after each of which there was a vote.

I was struck by the amount of work done by the participants from each party in each debate. The speeches were excellent.

Those taking part in the debates did not know how long they would last, but I know that there were at least four or five other debates on current affairs—incidentally, they were well prepared and thought out. The only disappointment in the whole day was the disappointment of those who were prepared to go on with a further debate. I was told that afterwards.

I tell this little story because it shows that the young people of today—though one has only to look at the young people of previous years who were active in each party to realize that my remarks apply also to the past—are preparing themselves for the future. They do not take the slap-happy attitude that because they were born on this earth somebody else must look after them from the cradle to the grave. They want to participate actively in the affairs of the nation, in whatever cause they may be called.

The hon. member who introduced this bill has said that our young people pay income tax. That is a mundane, monetary subject. Of course they do if they earn money; and they are glad to do so. But there is a much more telling argument in favour of the hon. member's bill. In the last two world wars those of 18—some were even younger—went overseas. I believe they were given the vote when they were overseas. Whether they had the vote or not makes no difference; what matters is that they volunteered in the highest service of this country.

They took on all jobs which their leaders took on, and they performed them without looking for any reward or kudos. Some of

them were only 18 years old when they went overseas. That will add to the arguments of the sponsor of the bill.

Before sitting down, may I say that no matter at what age we give the vote to our young people, the vote will give them a responsibility. Since this bill talks of 18 year olds I will confine my remarks to that age group. If our young people are given the responsibility of the vote, they will discharge that responsibility.

Mr. Ed. Schreyer (Springfield): The hon. member for Brantford (Mr. Brown) will be happy to know that he has considerable support in this house for his bill. As one looks at the order paper one can see five, perhaps more, similar bills. It was the intention of the hon. member for Prince (Mr. MacDonald), the hon. member for Kenora-Rainy River (Mr. Reid) as well as my intention to try to sponsor in common a bill along the lines of this bill. That may be unnecessary should the present bill pass, and I hope that it will. I hope it will not be talked out in a deliberate way.

All members who are present I am sure have had occasion to think a good deal about the merits and possible demerits of extending the franchise to those below 21 years of age, to those who are 18 years old. I do not intend to reassert some of the compelling arguments about why the voting age should be reduced by three years. Other hon. members have spoken about the subject today and in previous years.

One or two arguments for reducing the voting age may be novel, but I wish to advance them. One is that as more and more young people have greater opportunities to further their education and more time for leisure activities, they are more and more being prevailed on by mass media because they represent a commercial market. As a result, a subculture, if I might call it that, is growing up and hardening which affects our young people. There is a growing tendency for the young people of the present day to hive into a subculture of their own.

There may be some positive features from such a development, yet I believe that responsible people do not wish such a tendency to develop unduly and wish to counteract it. One way to counteract such a tendency is to involve our young people more in the running and administering of our political society. Since I cannot put my ideas as eloquently as the hon. member for Burin-Burgeo (Mr. Jamieson) put his ideas when he spoke in the

throne speech debate, perhaps I might be permitted to quote some sentences from his address, to be found at page 24 of *Hansard* for May 9, 1967. He said:

> 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.

And here is the nub of this eloquent statement:

> 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—

I repeat:

> Our task is to involve them constructively in the nation-building process.

Hon. members who applauded that statement and sentiment ought to find it difficult to oppose the implementation of this bill. This bill would give concrete application to the sentiments that the hon. member for Burin-Burgeo expressed a few weeks ago. His remarks were applauded in all parts of the house.

• (5:30 p.m.)

We must as far as we are able involve young people in the ordering of the affairs of their political society. This is one way of doing it. We all believe, I am sure, in the desirability of doing these things gradually, step by step. We allow young people to hold elective office at the age of 21, so it seems to me they should be allowed to vote to help decide who shall hold office at least a few years earlier.

It has been said that one good reason for accepting this bill is that in some of the provinces the electoral law has been changed to allow voting from the age of 18. References were made to Saskatchewan and Quebec which provide for voting from the age of 18. In Alberta and British Columbia, provisions for voting from the age of 19 have already been made. In Prince Edward Island and New Brunswick amendments to the act were passed last session. I know for a fact that one reason a resolution to similar effect failed to pass the Manitoba legislature was that it was

thought desirable, in the interest of uniformity across the country before lowering the voting age to wait until the federal government decided to take action.

This is a logical position to take. The difficulty is that if the federal government is inclined to procrastinate unduly, the action which the province felt to be desirable would have to be delayed interminably. The majority sentiment in the Manitoba legislature, according to a vote which was held on this question of the voting age a few months ago, was that there should indeed be a reduction in the minimum voting age from 21 to 18. But the members still felt that the federal government should be prevailed upon to act first.

It is to be hoped, then, that before the passing of another year, certainly before the next election, this change will be made. We have an opportunity to act here and now in the form of the bill presented by the hon. member for Brantford (Mr. Brown). The remaining provinces will without doubt follow suit and we would then have in this country a uniform election law with regard to minimum voting age, the effect of which would be to give an opportunity for involvement for the young people today who in so many instances feel frustrated because they are unable to take part in any meaningful way in the nation-building process or in the political processes of our society.

I know that some elements in our society will be of the opinion, as they have been for a long time past, that to extend the franchise downward to the age of 18 would be to run the risk of political parties catering to the supposedly less stable elements —that the temptation would grow to buy or curry favour with less stable groups. While there are no doubt certain aspects of the behaviour of youth which may cause some adults to feel concerned, I and many others are getting the decided impression that by far the greater number of the young people of today are showing an impressive degree of maturity and good judgment. I believe they are giving evidence of a degree of seriousness and of a sense of commitment to ideals; they are showing they would like to become involved in helping to solve many of the human problems which exist in this country and in the world today. Since they have this desire for involvement and this sense of commitment, we should not withhold any longer the chance to have a say in the choosing of the government of our country, which is just as much their country.

I would be very disappointed if with deliberate intent, or some murky or cloudy purpose, this bill does not receive endorsement.

• (5:40 p.m.)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I wish to commend the hon. member for Brantford (Mr. Brown) for having introduced this bill in the house. As the previous speaker mentioned, several members have given thought to this matter.

I feel that most young people are serious enough to judge political matters. I say, most of them, because I do not mean that 50 per cent of our young people have attained maturity. I took pleasure in conducting a small survey in my riding on this subject, and I think that hardly 50 per cent of the young people are really interested in politics or for that matter, are actually informed on political matters.

In fact, the replies I received were rather vague. Now, a percentage of 50 per cent is reasonable enough. At any rate, we notice the same situation with older people. Several elderly persons know absolutely nothing about politics, especially those who live in large cities. I have worked in rural municipalities and especially in larger centres and one notices that the greater majority of the people, even in cities, who are middle-aged, or are considered as such, know nothing about politics, do not even know who their member is. I can assure you that they know very little. I feel that we have here a group of young people who are reasonably conversant with public affairs and certainly deserve the attention of governments.

To my mind, the federal government would be acting fairly in enfranchising 18-year old youth. In fact, are they not taxed from age 18? When one is paying and forced to pay, one is entitled to get something in return.

Furthermore, the provinces show the lead in this matter. In fact, several provinces have already reduced the voting age. Why? For political reasons no doubt, because I think there might be a little bit of politics in this. In the province of Quebec, if the government did it for political reasons, it certainly was not lucky because it was defeated. But quite apart from the political point of view, it would be undoubtedly fair to 18-year old youth to give them the right to vote. I would even say that it is a matter of justice to enfranchise everyone who is taxed and to refuse the right to vote to those who are not taxable. And I mean taxable—

Mr. Côté (Longueuil): Oh.

Mr. Gauthier: —subject to taxation.

I must say what I mean by the words "subject to taxation", because I just heard the Postmaster General says: "Oh." It would be sheer logic that anybody be entitled to vote as long as he is subject to taxation by our governments.

I have another point to make on consideration of this bill to lower the voting age to 18 years. If our youth are to be given responsibilities, let them be given logical ones. If one can vote at 18, enter the armed forces at 18, and be liable, to taxation at 18, one attains one's majority at 18.

Mr. Habel: This is a purely provincial matter.

Mr. Gauthier: I do not see why a young man should not reach his majority at 18, in all provinces.

The voting age is a provincial as well as federal matter. I do not know whether the question of minors is a matter for the provinces only, or whether it also falls under federal jurisdiction—I am not very well aware of the situation in other provinces—but if this has any influence on the question of minors, I think it is an interesting question which, of course, has nothing to do with the bill under consideration today.

Incidentally, I think that if you want to hire young people, you must lower to 18 the age when they can vote or attain their majority.

I regret that this bill was presented as a public bill, because we know what usually happens to a private members' public bills, that is a first class funeral due to the clock, but I hope—

Mr. Côté (Longueuil): You are participating therein.

Mr. Gauthier: No, because I want to be brief. I am only expressing my point of view, but usually every public bill receives the same treatment. That is provided for in the standing orders.

However, I wish that this bill had been introduced by an hon. minister so that it would be discussed and put into effect as soon as possible in view of the coming election.

Mr. L. P. Neveu (Shefford): Mr. Speaker, it is with much pleasure that I avail myself of the privilege bestowed upon me to address myself to the members of this assembly in order to deal with a matter of the utmost importance.

Indeed, in any democracy, the free expression of citizens, through the voting process, constitutes the cornerstone of our democratic system. By our throughts, our words and our actions we express our grievances to those who are elected to administer the affairs of the country our legislators.

Mr. Speaker, Bill C-5 before us this afternoon, has to do with an important question: is it advisable to give the right to vote to our fellow-citizens, male and female, at the age of 18 years. Evidently, there are pros and cons to this issue which no doubt deserve due consideration.

I hope that my humble contribution will promote the surge of ideas in order that we may be enlightened to take the necessary measures for the benefit of the common good. With your leave, Mr. Speaker, I should like to state objectively my point of view concerning that very important question of enfranchising 18-year old youth.

I am one of those who feel that the sharing of responsibilities will prove more satisfactory in this modern world.

Needless to remind you, Mr. Speaker, that youth has always played a leading part in wartime, in difficult periods. There are unfortunately too many young people among the bravest on the battlefields, who have not been emancipated by being given full rights. As far as Canada is concerned their contribution proved to be of prime importance during the 1914-18 and 1939-45 world wars.

Every year, on remembrance day, we deem it our duty to lay wreaths on the graves of our young soldiers who died between the age of 18 and 21, as a tribute to their courage, their ability and their valour. We must consider objectively that if citizens shed their blood, they have the right to share in peacetime and in every circumstances, the sacred rights belonging to fully emancipated citizens.

In the industrial sector, and in war production, a great number of those young people, of both sexes, made a very important and very useful contribution.

In peacetime, our young people really join in the march towards the common good. Through education, they prepare themselves to play a constructive role to ensure our economic and social development. Several of them assume important responsibilities and even become heads of families. To a large extent, they contribute to the administration of the government by paying taxes; they also

render very valuable services to various companies.

Mr. Speaker, several qualities may be attributed to those young people. Allow me to mention a few:

1. They have intuition and ideals;

2. They have energy and a creative mind;

3. They have untold resources of inborn qualities.

Our country, which is also one of the newer countries on the map of the world, needs all men of good will. I think we can prove to the world that we are broad-minded and that we mean to devote all our energies and talents to our economic and social emancipation.

Young people, because of their nature and idealism, have a definite talent for science and research. Research concerning the promotion of talent will play a major role in the second century of our country.

Competent authorities in the field of education are giving a greater importance than ever to a number of great qualities of youth. Responsibilities are being increasingly delegated to young leaders, young professors, in other words to dynamic people who dare to look ahead and think big.

Our young people can be very important, because they can bring people to collaborate and find advanced formulas.

• (5:50 p.m.)

It must also be recognized that those young people should have the right to speak up and be represented on the labour market. They have often been denied because their voice was not powerful enough in those sectors which appeal to them most. They want to valorize themselves by contributing to them.

The principle of majority is now recognized at 21 years of age only. You will grant me that maturity is more a matter of behaviour than of age. Another aspect must be considered. Indeed, many of our young people are allowed by civil and religious authorities to marry before they are 21 years old. That situation involves many inconveniences when the legal age of majority is 21. Let me give you a few examples to illustrate what I mean.

For instance: (1) the consent of parents or tutors must be obtained; (2) one is unable to make a will as citizens of age do, and (3) one is legally irresponsible yet assumes responsibilities.

Many think it desirable that the greatest possible number of active people of a country should make the decisions and that the responsibilities should be shared by all classes of citizens. The adults and particularly the young are anxious for a dialogue in our present world. But, for the dialogue to be practical, it is necessary that equal rights and responsibilities be shared by all parties concerned.

The best way to practice a well-ordered policy is to delegate responsibilities in an atmosphere of confidence.

I think that our youths should be trained not only to profit from a healthy body but to adopt a positive attitude, so that they may be psychologically prepared at the earliest possible time to take over from their elders. Because of our information and culture media, our youths are more advanced and better informed. Our youths are ready to produce and it is better to let them work with what they have within the framework of responsibilities instead of isolating them in their frustration. The desire to have an ideal is natural with them.

I have no doubt that if our youths were to share the right to vote, this would eventually improve the quality of the popular vote. Besides, our schools are starting to include in their training, important factors concerning citizenship, public affairs and subjects of interest to our citizens.

Young people nowadays take an increasing interest in politics and public affairs. They read more, participate in forums and meetings and seek really positive ways of communicating with their fellowmen.

It may be said that juvenile delinquency proves more frequent among the young until they reach 18 years of age, but, if one goes to the source, one finds that in most cases the young people were made prone to delinquency by adult delinquents. It must also be admitted that we must be objective and not place too much emphasis on the mistakes of young people, because they, in turn, will not fail to point out the mistakes of their elders.

Certain arguments are used by those who doubt that 18-year-olds are capable of voting. Mr. Speaker, as a member of the house, I do not have the time required to go over all those arguments, but there are some, and, if you will, I shall refer to only one of them which I think it is important to emphasize in order to understand the positive factors involved.

Some will say that our young people are often unstable, impulsive and that therefore they cannot naturally and psychologically express a really significant opinion on matters of some importance. But we must recognize

that we have, of course, throughout our life, the qualities of our faults and the faults of our qualities.

However, before concluding my remarks I should like to say that I fully support that reduction by which our young people may be able to play a leading role and contribute to the common weal. I might undoubtedly take inspiration from that thought of Jean-Charles Harvey, and I should have liked to be able to emphasize a little the problems facing our young people in Quebec today as well as the part they want to play.

I think that we must take as a pattern a constructive dialogue so that the Quebec young people may associate themselves to those of other provinces, on a federal level, so that we may work closely with all the classes of our society.

We must hope for this, and young people today should meditate on this question. A great man once said that political genius, like any other, really consists in making rational use of the genius of others.

I believe in the intelligence of our youth. I am sure that, together with Canadians of every social class, our young people will find inspiration in Man and his World and build a future in which liberty, unity and fraternity will reign, in a new world, in a strong and better Canada.

[*English*]

Mr. Knowles: Question.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, in the moment before six o'clock I wonder whether I may have the unanimous consent of the house to send the subject matter of this bill to the committee on privileges and elections where it can receive further study. If I have that consent I should like to move:

That the motion for second reading of Bill C-5, an act to amend the Canada Elections Act (Age of Voters) be deemed to have been withdrawn, and that the subject matter of the said bill be referred to the standing committee on privileges and elections.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: The hour for consideration of private members' business has expired.

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

APPENDIX

COMMUNIQUÉ FOLLOWING CANADA-U.S. MINISTERIAL MEETING ON TRADE AND ECONOMIC AFFAIRS

MONTREAL, June 22, 1967—The eleventh meeting of the Joint Canada-United States Ministerial Committee on Trade and Economic Affairs was held in Montreal, June 20-22.

The Committee exchanged views on current economic developments. They reviewed the success achieved in both countries in moderating excessive demand pressures during the past year and noted that a more dynamic pace of extension of real output was expected in coming months. Recovery of the residential construction industry, an end to the inventory correction, modest expansion of private investment expenditures, higher Federal, State and local government purchases, and renewed vigor in consumer spending were cited as the major anticipated sources of strength in the United States out-look for the coming year. Similar forces were also expected to lead to stronger growth in Canada. The Committee emphasized the need for flexible and responsible fiscal policy in both countries during the coming months. They recognized the need for dealing with the problem of achieving greater stability in costs and prices, especially as the two economies resume rates of advance more in line with their potentials.

In a world of growing trade and development assistance, Committee members affirmed the intention of their governments to press for general agreement at the 1967 annual meeting of the Governors of the International Monetary Funds on the structure and major provisions of a contingency plan for the creation of a new international reserve asset. They stressed the need for an asset which monetary authorities could include in their reserves.

The Committee also reviewed the balance of payments prospects of the two countries. United States members reiterated the continued determination of the United States to make as much progress toward equilibrium in its worldwide balance of payments as the costs of Vietnam permit. The Committee discussed capital movements between the two countries and took note of the benefits to both countries of existing arrangements relating to access by Canadian borrowers to the United States capital market.

The Committee welcomed the successful conclusion of the Kennedy Round of Trade negotiations which will provide an important stimulus to world trade as well as to trade between the United States and Canada. They discussed prospects for the future trade liberalization, noted that both countries are conducting studies on this matter and agreed to continue close consultations.

The Committee devoted special attention to the trade problems of the developing countries recognizing the importance of positive and constructive measures in support of efforts by the developing countries to accelerate their own economic development. This will be the main theme of the second United Nations conference on trade and development early next year.

The Committee was concerned about the failure of development aid to expand in line with the growing requirements of the developing countries. In this context early and substantially enlarged replenishment of International Development Association resources must have a high priority. The Committee welcomed the new multilateral food aid program agreed upon in the Kennedy Round which will help expand food aid and will result in a more equitable sharing of the cost. The amount and character of food assistance must be improved as well as the degree of self-help by the recipient nations.

The Committee recognized the importance of close and effective cooperation between the two countries in respect of wheat marketing policies, including wheat flour, particularly in the context of the new cereals agreement concluded in the Kennedy Round. They agreed to strengthen consultative arrangements concerning wheat marketing and food aid.

United States members reiterated their concern over those aspects of the Canadian Bank

Act which in their view have the effect of discriminating retroactively against a bank in Canada owned in the United States. Canadian Ministers took a different view of the effect of the Bank Act, and stressed the importance of effective Canadian ownership of major financial institutions. They reiterated Canada's intention to encourage increased participation by Canadians in the ownership and control of Canadian industry while continuing to maintain hospitable climate for foreign investment.

Canadian members, also drew attention to the problem arising from the effect which certain United States laws and regulations may have upon Canadian companies, especially as regards securities regulations and foreign assets control but noted that good progress had been made in dealing with particular aspect of the problem. The Committee agreed on the desirability of an exchange of information in the securities field that would benefit investors in both countries.

The Committee examined results achieved under the Automotive Agreement of 1965. Despite fluctuations in demand and the continuing process of adjustment the industry is making progress in rationalization and efficiency, and trade in automotive products between the two countries has expanded substantially to the benefit of both producers and consumers. They noted that a comprehensive review of the Agreement was to begin later this year.

The Committee discussed energy relations between the two countries. They recognized the common interest in the orderly expansion of trade in energy resources and discussed the kinds of facilities which might be needed to serve efficiently the development of this trade. The Committee noted the recent decision of the Federal Power Commission which, in approving the transmission of natural gas to Eastern Canadian and border states customers, referred to the community of interest in this project and to its security advantages.

The Committee discussed a number of bilateral questions of current interest to the two countries. United States members urged that Canadian tourists returning to Canada from the United States be given duty-free allowances equivalent to those given Canadian tourists returning from overseas areas. They also requested that Canada accord official recognition to Bourbon whisky as a distinctive product of the United States.

Canadian Ministers referred to the desirability of expanding the area of free trade in agricultural machinery, tractors and equipment and it was agreed that this matter should be examined jointly with a view to working out mutually satisfactory arrangements. They also urged the elimination of the manufacturing clause in United States copyright legislation and the relaxation of restrictions on United States imports of aged Canadian Cheddar cheese. Canadian members drew attention to the problem created from time to time because of the cross border movement of relatively small quantities of agricultural products at depressed prices usually at or near the end of the marketing season. The Committee agreed that continued efforts would be made to work out acceptable solutions to these problems. Other topics discussed included trade in lead and zinc, and the St. John River Development.

The Committee expressed pleasure that agreement had been reached regarding winter maintenance for the Haines Cutoff portion of the Alaska highway and discussed possible improvement in the Alaska highway system.

The Committee took note of the studies at present being undertaken by the International Joint Commission, which, at the request of the two governments, is investigating a number of questions of economic and general public interest relating to boundary waters and pollution of air and water.

Meetings of the Joint Ministerial Committee have in the past been held alternately in Ottawa and Washington. On the occasion of the centennial of Canada's Confederation, this meeting was held in Montreal which provided an opportunity for members of the Committee to visit Expo 67.

The United States Secretary of State, the Honourable Dean Rusk and the Canadian Secretary of State for External Affairs the Honourable Paul Martin were unable to participate in the meeting as planned because of the emergency session of the United Nations General Assembly. The United States was represented by Secretary of the Treasury the Honourable Henry H. Fowler (Chairman of the Delegation) United States Ambassador to Canada, the Honourable W. Walton Butterworth; Secretary of Agriculture, the Honourable Orville L. Freeman; Secretary of Commerce, the Honourable Alexander B. Trobridge; Under Secretary of the Interior, Honourable Charles F. Luce; Chairman of the President's Council of Economic Advisers, the Honourable Gardner Ackley; Assistant

Secretary of State for Economic Affairs, the Honourable Anthony M. Solomon.

The Canadian delegation was headed by the Honourable Robert H. Winters, Minister of Trade and Commerce; and included the Honourable Mitchell Sharp, Minister of Finance; the Honourable Charles M. Drury, Minister of Industry; the Honourable Jean-Luc Pepin, Minister of Energy, Mines and Resources; the Honourable J. J. Greene, Minister of Agriculture; Mr. Louis Rasminsky, Governor of the Bank of Canada; and Mr. A. E. Ritchie, Canadian Ambassador to the United States.

27053—122

HOUSE OF COMMONS

Monday, June 26, 1967

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

CONCLUSION OF FIRST PART OF SESSION—NO SITTING ON JULY 3

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, with the indulgence of the house I would like to make a statement and, if agreeable, propose a subsequent order which would have the effect of bringing the work of this part of the session to an orderly close and imbed the understandings that have been reached into such an order of the house.

On Friday last the Minister of Transport (Mr. Pickersgill) and the hon. members for Winnipeg South Centre (Mr. Churchill), Winnipeg North Centre (Mr. Knowles) and Roberval (Mr. Gauthier) had some discussions which formed the basis of the agreement which I am proposing to the house today. Earlier the opposition house leader and I had discussions along similar lines.

The proposal is as follows: Today we would like to enter all remaining departments, three in number, into the committee of supply without debate. We would provide in the order that the three remaining supply motions be utilized in the resumed part of the session in the fall. In addition, on Thursday of next week we would like to ask for interim supply for a period of four months, and to pass at that time ten departments and the supply bill resulting from the passing of these departments.

With that program in mind we would hope to adjourn the house on Friday, July 7, unless it were necessary to remain for the following day to secure royal assent. If it is not, we will conclude this part of the session on that Friday.

• (2:40 p.m.)

In addition I would also propose that the house not sit on Monday, July 3. As it stands now there is no provision for a house holiday on that day, and in order to alter that fact we need a special order of the house. There have been discussions with the representatives of all parties and agreement has been reached. I should like, with the consent of the house, to move a motion that would carry these understandings into effect and become an order of the house. I move:

That, notwithstanding the provisions of any standing or provisional order of this house, it is ordered:

(1) That the order for "House again in committee of supply" shall stand as the first item of government business in this sitting for the purpose of moving "That Mr. Speaker do now leave the chair" and, when it be proposed, the said motion shall be decided forthwith without debate or amendment; and

(2) That when the house resolves itself into committee of supply pursuant to the adoption of the said motion, the main estimates for the fiscal year ending March 31, 1968, of all departments now outstanding shall be forthwith first taken up and entered for consideration in the committee of supply; and

(3) That following the proposed summer adjournment there shall be three occasions on which an order for house in committee of supply shall be called for the purpose of moving "That Mr. Speaker do now leave the chair"; provided that the first of the said three orders shall be called not later than the fifteenth sitting day, the second not later than the thirtieth sitting day, and the third not later than the forty fifth sitting day following the resumption of the sittings of the house next autumn; and

(4) That the operation of paragraph 3 of this order shall not in any way preclude the adoption of all items in the committee of supply and the enactment of supply bills based thereon within the thirty day period prescribed therefor in subparagraph 5 (c) of the resolution adopted April 26, 1967; and

(5) That on Thursday, July 6, 1967, at 9:30 o'clock p.m., the proceedings of the house or the committee of supply or ways and means, as the case may be, shall be interrupted, and every question shall successively be put forthwith that may be necessary to dispose of the estimates of ten departments and any resolution or bill based thereon, and also such resolutions and bills as are necessary to provide for a four month interim supply; and

(6) That debate on any of the said three motions referred to in paragraph 3 shall not exceed two sitting days, and that in each case the main motion and any amendments proposed thereto shall be disposed of in accordance with the provisions of sections 2 and 4 of standing order 56.

(7) That any time or days used in the fulfilment of the terms of this order shall be part of the over-all limitation of time allotted to the consideration of the business of supply in this session.

(8) That when the house rises on Friday, June 30, 1967, it shall stand adjourned until 2:30 p.m. Tuesday, July 4, 1967.

This motion I am moving, Mr. Speaker, is seconded by the Minister of Transport (Mr. Pickersgill). In making this proposal to the house I wish to express my appreciation to the Minister of Transport and the representatives of all parties in the house for reaching an agreement which provides for what I regard as an orderly and responsible way of concluding this part of the session.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Arnold Peters (Timiskaming): May I ask why the arrangement could not be made in such a manner that the session would end on June 30 and the extra week we are sitting in July be provided by returning a week earlier? There would be no difference in the time allotted for a holiday or for the business of the house. It would seem there would be as much advantage to all hon. members to have the opportunity to be home in July and return a week earlier in the fall.

Mr. MacEachen: Mr. Speaker, this was a possibility that was considered. We felt that the provision of the Monday holiday at the week end would provide hon. members with an opportunity, if they so wished, to go to their ridings. We are also conscious of the fact that Her Majesty will be in Canada and in Ottawa that week and it would be desirable at that time to have the House of Commons of Canada in session.

Motion agreed to.

BRITISH NORTH AMERICA ACT

AMENDMENT RESPECTING METHOD OF APPOINTMENT OF JUDGES

Mr. Robert Stanbury (York-Scarborough) moved for leave to introduce Bill No. C-140, to amend the British North America Act, 1867 (appointment of judges).

Some hon. Members: Explain.

Mr. Stanbury: Mr. Speaker, this bill is a revival of one I introduced in the last session but which was not reached for discussion. It would not interfere with the crown prerogative, but it would require the government before making judicial appointments to obtain the opinion of a committee of the Canadian Bar Association as to the suitability and qualifications of persons under consideration. Such a procedure, I believe, would tend not only to preserve the generally high calibre of our judiciary but would also bolster public confidence in this vital branch of our democratic system. I hope there will be an opportunity for the justice committee to consider this bill in the fall.

[Mr. MacEachen.]

Motion agreed to and bill read the first time.

HISTORIC SITES AND MONUMENTS ACT

AMENDMENTS RESPECTING MEMBERSHIP OF BOARD, REMUNERATION, ETC.

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 Historic Sites and Monuments Act to provide for membership on the board of an officer of the National Museums of Canada, and to provide also that the remuneration paid to members of the board appointed by the governor in council for attending at meetings or to other business of the board shall be fixed by the governor in council.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PROHIBITION OF COTTAGE IMPROVEMENTS, WESTERN NATIONAL PARKS

Question No. 96—**Mr. Dinsdale:**

1. Has a prohibition been placed on improvements on cottages located on leasehold property in the national parks located in Manitoba, Saskatchewan and Alberta?

2. If so, was such a prohibitory policy established and for what reasons was it established and how long will it continue?

3. How will maintenance up to to the high standard required in national parks be carried out?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. A prohibition has been placed on significant improvements that structurally alter or extend existing summer cottages.

2. The measure was taken to stabilize the value and extent of existing summer cottages which is in line with our policy of not permitting the replacement of existing cottages or the granting of new sites and the gradual acquisition of all existing sites.

3. Normal maintenance and repair of the existing summer cottages is not only permissible but is required as a condition of the lease.

LABOUR CODE DEFERMENT APPLICATIONS BY STEVEDORING COMPANIES

Question No. 97—**Mr. Orlikow:**

1. How many applications of stevedoring and longshoring companies who applied for deferment and for suspension of part 1 of The Canada Labour (Standards) Code, are still under review?

2. When were these applications made to the department?

3. How many workers are covered by each of these applications?

4. What are the reasons for the applications for deferment still being under review by the department?

5. What is the date when the department expects to have settled all these cases which are under review?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): 1. 177.

2. Applications for deferment were made prior to July 1, 1965. Applications for suspension were made after July 1, 1965.

3. Information not available.

4. An inquiry commission has been established under another act to examine and report on certain conditions of employment at ports of Montreal, Trois-Rivières and Quebec. The working conditions in most Canadian ports are generally similar. The report of the commission should be considered when dealing with the deferment.

5. Date uncertain, but efforts are being made to settle these cases as soon as possible.

LABOUR CODE DEFERMENT APPLICATIONS BY SHIPPING COMPANIES

Question No. 98—**Mr. Orlikow:**

1. How many applications of shipping (including ferries) companies who applied for deferment and for suspension of part 1 of The Canada Labour (Standards) Code, are still under review?

2. When were these applications made to the department?

3. How many workers are covered by each of these applications?

4. What are the reasons for the applications for deferment still being under review by the department?

5. What is the date when the department expects to have settled all these cases which are under review?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): 1. 153.

2. Applications for deferment were made prior to July 1, 1965. Applications for suspension were made after July 1, 1965.

3. Information not available.

4. An inquiry commission has been established to inquire into and report on hours of work in navigation and shipping in the Newfoundland area. Discussions are being held with employers and employees affected in other areas of Canada in order to arrive at an accommodation on hours of work.

5. Date uncertain, but efforts are being made to settle these cases as soon as possible.

LABOUR CODE DEFERMENT APPLICATIONS BY RAILWAY AND HOTEL COMPANIES

Question No. 99—**Mr. Orlikow:**

1. How many applications of railway and hotel companies who applied for deferment and for suspension of part 1 of The Canada Labour (Standards) Code, are still under review?

2. When were these applications made to the department?

3. How many workers are covered by each of these applications?

4. What are the reasons for the applications for deferment still being under review by the department?

5. What is the date when the department expects to have settled all these cases which are under review?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): 1. 38.

2. Applications for deferment were made prior to July 1, 1965. Applications for suspension were made after July 1, 1965.

3. Information not available.

4. Discussions are being held with employers and employees affected in order to reach an accommodation on hours of work.

5. Date uncertain, but efforts are being made to settle these cases as soon as possible.

LABOUR CODE DEFERMENT APPLICATIONS BY MINING AND PROCESSING COMPANIES

Question No. 100—**Mr. Orlikow:**

1. How many applications of mining and processing companies who applied for deferment and for suspension of part 1 of The Canada Labour (Standards) Code, are still under review?

2. When were these applications made to the department?

3. How many workers are covered by each of these applications?

4. What are the reasons for the applications for deferment still being under review by the department?

5. What is the date when the department expects to have settled all these cases which are under review?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): 1. None.

2, 3, 4 and 5. Not applicable.

Questions

LABOUR CODE DEFERMENT APPLICATIONS BY HIGHWAY TRANSPORT COMPANIES

Question No. 101—**Mr. Orlikow:**

1. How many applications of highway transport companies who applied for deferment and for suspension of part 1 of The Canada Labour (Standards) Code, are still under review?

2. When were these applications made to the department?

3. How many workers are covered by each of these applications?

4. What are the reasons for the applications for deferment still being under review by the department?

5. What is the date when the department expects to have settled all these cases which are under review?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): 1. 2,645.

2. Applications for deferment were made prior to July 1, 1965. Applications for suspension were made after July 1, 1965.

3. Information not available.

4. An inquiry commission has been established to inquire into and report on hours of work in the inter provincial transport of goods by motor vehicle.

5. Date uncertain, but efforts are being made to settle these cases as soon as possible.

LABOUR CODE DEFERMENT APPLICATIONS BY GRAIN ELEVATOR COMPANIES

Question No. 102—**Mr. Orlikow:**

1. How many applications of grain elevator companies who applied for deferment and for suspension of part 1 of The Canada Labour (Standards) Code, are still under review?

2. When were these applications made to the department?

3. How many workers are covered by each of these applications?

4. What are the reasons for the applications for deferment still being under review by the department?

5. What is the date when the department expects to have settled all these cases which are under review?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): 1. One.

2. August 2, 1965.

3. 111.

4. Discussions are now being held with a view of settling this application for suspension.

5. Within one month.

LEVEL CROSSING FUND PAYMENTS

Question No. 176—**Mr. Allard:**

In 1966, for each province, what amounts were paid out of the federal level crossing fund and what were the percentages of these grants?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The Board of Transport commissioners for Canada advises as follows:—

Distribution of commitments and expenditures from the railway grade crossing fund by province—1966

Province	Commitments	per cent of Total Commitments from fund	Expenditures	per cent of Total Expenditures from fund
British Columbia	$ 905,187	3.91	$ 1,188,045	8.09
Alberta	624,316	2.70	1,663,256	11.32
Saskatchewan	688,572	2.97	809,329	5.51
Manitoba	2,534,180	10.95	567,419	3.86
Ontario	11,739,876	50.71	7,359,927	50.10
Quebec	4,118,473	17.79	2,045,521	13.93
New Brunswick	511,544	2.21	274,146	1.87
Nova Scotia	338,571	1.46	339,704	2.31
Prince Edward Island	60,080	0.26	18,377	0.13
Newfoundland	1,415,150	6.11	86,202	0.59
Yukon Territory	9,100	0.04		
Non Allocated Reflectorization of crossing signs	189,055	0.82	315,872	2.15
Reflectorization of railway cars	19,028	0.08	21,577	0.15
TOTALS	$23,153,132	100.0%	$14,689,375	100.0%

The statement of commitments shows approximately the same ratio as the expenditures for the provinces of Quebec and Ontario.

The board's records indicate that in Ontario there are 8,615 crossings, 35.74 per cent of which are protected. In the province of Quebec there are 3,611 crossings of which 44.67 per cent are protected.

MUNITIONS EXPORTS TO MIDDLE EAST COUNTRIES

Question No. 191—**Mr. Ormiston:**

What has been the value of exports of munitions and armaments to Egypt, Israel, Saudi Arabia, Yemen, Ethiopia, Sudan and Jordan, respectively, from 1963 to date?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): No exports of munitions and military armaments were made from Canada to the named countries from 1963 to the present date, other than for the United Nations emergency force.

CEREMONIES AT BIRTHPLACES OF FORMER PRIME MINISTERS

Question No. 207—**Mr. Coates:**

Is it the intention of the government to hold special ceremonies at the various localities throughout Canada where prime ministers of this nation have been born and, if so, what will be the form of the ceremonies in question, on what dates will they be carried out, and has the government been in communication with representatives in these various communities as to the ceremonies in question?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the centennial commission there are no plans to conduct special ceremonies at the various localities throughout Canada where prime ministers were born. I am further informed that there are no plans to commemorate birth sites of any prime ministers, and further that such a suggestion has never come under discussion. However, as indicated in reply to question 205, the commission will conduct, in conjunction with the Boy Scouts of Canada, commemorative ceremonies at grave sites of the Fathers of Confederation July 1. According to the program as noted in reply to question 205, 37 ceremonies will be held in 19 cities.

HARBOUR IMPROVEMENT, SOUTH INGONISH, N.S.

Question No. 221—**Mr. Muir (Cape Breton North and Victoria):**

1. Was a survey carried out to determine the need for dredging in the entrance channel at South Ingonish harbour, Victoria county, Nova Scotia and, if so (a) on what date (b) what were the results of the survey?

2. What are the plans of the government to improve the harbour?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes, (a) between September 29, 1966 and October 14, 1966. (b) The survey revealed that the channel was filling in along the sides. The minimum width between the 15-foot contours at lowest tides was 55 feet, and between the 6 foot contours the minimum width was 100 feet.

2. It is planned to review the need for redredging the channel to the 15-foot depth over a width of 150 feet, and to consider the inclusion of an item in future estimates.

ACQUISITION OF CITIZENSHIP BY MEMBERS OF PARLIAMENT

Question No. 229—**Mr. Stanbury:**

Have any members of the present parliament acquired Canadian citizenship since their election and, if so, how many?

Hon. Judy V. LaMarsh (Secretary of State): There is no record of any member of the present parliament having applied for or having been granted Canadian citizenship between November 8, 1965, and the present time.

PROVISION OF MOBILE CRANES BY HARBOURS BOARD

Question No. 232—**Mr. Forrestall:**

1. Does the government through the National Harbours Board provide the ports under its jurisdiction with mobile cranes having a lift capability in excess of 15 tons?

2. If so, of what lift and reach capacities are they?

3. Are any of these heavy lift cranes available at the port of Halifax?

4. If not, for what reason?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows:

1. No. At Montreal a locomotive crane with a maximum lift of 52,000 pounds and a radius of 17 feet, and a road crane with a maximum lift of 10,000 pounds and a radius of 60 feet are provided, but at other N.H.B. harbours

mobile cranes are available from private business if they are required. N.H.B. provides floating cranes at some harbours.

2. See answer to part 1.

3. See answer to part 1.

4. See answer to part 1.

TELEVISION SERVICE FOR NORTHERN MANITOBA

Question No. 239—**Mr. Stefanson:**

Has the C.B.C. any plans for providing television service for the residents of Grand Rapids and Norway House, Manitoba, and adjacent areas and, if so, what are the plans, and when can residents of these areas look forward to having these services available?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the C.B.C. that the extension of microwave service to northern Manitoba by the spring of 1969 will make it possible to provide network television to Grand Rapids. The C.B.C. hopes to make application early in 1968 to establish a station there. A separate installation would be required to serve the smaller community of Norway House. This project would be implemented at a later date after priority has been given to unserved areas with larger populations.

BREAKWATER REPAIRS, PARRSBORO, N.S.

Question No. 248—**Mr. Coates:**

Has a contract been awarded for repairs to the breakwater at Parrsboro, Nova Scotia and, if so, to whom was the contract awarded and in what amount, and was the successful bidder the low tenderer?

Hon. G. J. McIlraith (Minister of Public Works): No.

FEDERAL BUILDING, PARRSBORO, N.S.

Question No. 250—**Mr. Coates:**

1. Has a decision been reached as to when a new federal building or post office is to be constructed at Parrsboro, Nova Scotia and, if so, on what date does the government plan to call tenders for the construction of same?

2. Has land been secured as a site for the federal building or post office at Parrsboro, Nova Scotia and, if so, from whom was it purchased and what was the amount paid?

Hon. G. J. McIlraith (Minister of Public Works): 1. The department is giving consideration to the inclusion of an item in future estimates, and the decision as to when the new federal building is to be constructed and tenders are to be called will then be taken.

2. When built, it is the intention to build on the existing site.

[Mr. Byrne.]

SUMMER EMPLOYMENT FOR TROIS-RIVIÈRES STUDENTS

Question No. 251—**Mr. Mongrain:**

How many university students residing in the federal constituency of Trois-Rivières have already obtained summer employment from the federal government?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Public Service Commission as follows: Four.

PUBLIC WORKS PROJECTS, CHAPLEAU CONSTITUENCY

Question No. 259—**Mr. Laprise:**

1. What works are being carried out by the Department of Public Works in the constituency of Chapleau, and what is the cost?

2. What works is the Department of Public Works planning to carry out in the constituency of Chapleau for the year 1967-68, and how much will be spent on each of these projects?

[*Translation*]

Hon. G. J. McIlraith (Minister of Public Works): 1. Clerval, wharf reconstruction, $5,145.00; Lac Chicobi, wharf reconstruction, $10,954.00.

2. Lac Fiedmont, wharf reconstruction; Parent, wharf reconstruction; Lac Simon, wharf reconstruction; Rupert House, wharf reconstruction. It is not customary to reveal estimated costs before tenders are called.

[*English*]

CANADIAN METROPOLITAN AREAS

Question No. 266—**Mr. Lambert:**

1. What criteria are used in establishing the size and density of population of any area in Canada to qualify it as a census metropolitan area (reference catalogue 92-263 bulletin A-3 census of Canada)?

2. How many such areas are there in Canada, which are they, and what is their respective surface area?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. For census purposes, a census metropolitan area is defined as an urban agglomeration of at least 100,000 persons, of which 50,000 or more live in the central city. Fringe communities to be considered part of the metropolitan agglomeration must be in close geographic, social and economic relationship to the central city.

To determine these relations, such criteria as distance from the central city, the extent of build up areas with a population density of 1,000 persons or more per square mile

and the proportion of the labour force in non-agricultural activities are used.

In a few exceptional cases, where the adjoining municipalities are of an extreme size and contain large tracts of agricultural land, only the urbanized fringes of these municipalities are included.

2. Nineteen census metropolitan areas were defined for the 1966 census of Canada. These and their land areas are as follows:

Census metropolitan areas	Surface area sq. mi.
1. St. John's, Newfoundland	99.78
2. Halifax, Nova Scotia	117.48
3. Saint John, New Brunswick	407.35
4. Montreal, P.Q.	516.00
5. Quebec, P.Q.	160.51
6. Hamilton, Ontario	530.69
7. Kitchener, Ontario	220.87
8. London, Ontario	277.38
9. Ottawa, Ontario	335.02
10. Sudbury, Ontario	196.94
11. Toronto, Ontario	806.37
12. Windsor, Ontario	117.77
13. Winnipeg, Manitoba	270.40
14. Regina, Saskatchewan	29.25
15. Saskatoon, Saskatchewan	31.21
16. Calgary, Alberta	152.21
17. Edmonton, Alberta	196.21
18. Vancouver, British Columbia	511.75
19. Victoria, British Columbia	107.84

FEDERAL ROYAL COMMISSIONS

Question No. 274—**Mr. McCleave:**

1. How many royal commissions have been established by the federal government since April 8, 1963?

2. What was the duration of each?

3. What has been the cost to date of each such royal commission?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): 1. Sixteen.

2. and 3. Answered as follows:

Name of royal commission	Date of appointment	Date of reporting	Total cost
Bilingualism and Biculturalism	July 19/63	Not yet reported	$6,057,053
Irregularities in processing claims under Prairie Farm Assistance Act	Dec. 21/63	August 1964	17,957*
T.C.A. overhaul and maintenance base, Winnipeg, Man.	June 11/64	May 1966	55,340*
Crash of T.C.A. Aircraft at Ste. Therese	Oct. 8/64	August 1965	21,038*
Export marketing problems of Salt Fish industry in Atlantic provinces	Oct. 29/64	December 1965	42,116*
To inquire into allegations about any improper pressures having been brought to bear on counsel acting upon an application for the extradition of one Lucien Rivard	Nov. 25/64	June 1965	180,053*
Irregularities in 1963 federal election B.C.	March 2/65	August 1965	14,107*
Inquiry into freshwater fish market	July 9, 1965	October 1966	39,611*
Inquiry into Group D. salary increases	July 23/65	September 1965	7,193*
Working conditions in Post Office Dept.	September 1/65	October 1966	78,960*
Inquiry into Mr. Justice Landreville	January 19/66	August 1966	55,831*

Orders for Returns

Name of royal commission	Date of appointment	Date of reporting	Total cost
Inquiry into complaints made by one George Victor Spencer	March 7/66	July 1966	13,099*
Inquiry into matters relating to one Gerda Munsinger	March 14/66	September 1966	54,708*
Farm machinery costs	May 26/66	Not yet reported	139,680
Security	November 16/66	Not yet reported	46,149
Status of women in Canada	February 16/67	Not yet reported	9,408

* Final cost

LETTER FROM TRAINMEN'S UNION, SYDNEY, N.S.

Question No. 282—**Mr. Muir (Cape Breton North and Victoria):**

1. Did the Minister of Transport receive a communication dated May 28, 1967, from the officers and members of lodge 554, Brotherhood of Railroad Trainmen, at Sydney, Nova Scotia?

2. If so, what was the nature of the reply provided by the minister?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Yes.

2. Representation referred to the Board of Transport Commissioners with the request that they consider and report on the matter to the Minister of Transport.

*FLYING OF UNION JACK DURING ROYAL VISIT

Question No. 317—**Mr. Webb:**

1. Is the Union Jack to be flown in Ottawa and Montreal on all official occasions during the visit of Her Majesty the Queen?

2. If not, for what reason?

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the answer to the first part of the question is, "yes". Consequently, the second part of the question is not applicable.

QUESTIONS PASSED AS ORDERS FOR RETURNS

UNIVERSITY STUDENTS APPLYING FOR EXPO JOBS

Question No. 56—**Mr. McCleave:**

How many students have applied for jobs at Expo from Canadian universities or colleges, and how many were accepted (setting out each institution, its number of applicants and its successful applicants)?

Return tabled.

[Mr. Matheson.]

TEXTILE IMPORTS

Question No. 172—**Mr. Allard:**

To up-date the answer to question No. 1,640 of June 9, 1966, which was tabled July 13, 1966 (a) in 1966, what countries exported textile products to Canada (b) for the year 1966 and for each of the mentioned countries, what are these products and what is the total value of the textile products imported into Canada under textile groups a, b, c, d and e as used in the reply to question No. 1,640?

Return tabled.

LEVEL CROSSINGS, ESQUIMALT AND NANAIMO RAILWAY

Question No. 238—**Mr. Barnett:**

1. How many level crossings of public highways and streets of the Esquimalt and Nanaimo railway are there at which automatic safety warning devices have not been installed?

2. How many such crossings are there at which such automatic warning devices have been installed?

3. Is any program for installation of additional automatic warning devices currently under way and, if so, at what crossings are such additional warning devices to be installed?

4. What, listed by name of road or street, and location, are (a) the crossings where additional automatic warning devices are in existence (b) the crossings where installations are to take place (c) the crossings at which no such devices exist?

Return tabled.

*CAMP HILL HOSPITAL

Question No. 256—**Mr. Muir (Cape Breton North and Victoria):**

1. Is Camp Hill hospital a wholly owned Department of Veterans Affairs institution?

2. What is the total bed capacity of Camp Hill hospital?

3. What are the names of medical personnel, both full-time and consultants on strength at Camp Hill hospital, and what are their qualifications?

4. Under what sections of veterans treatment regulations are Canada's veterans admitted, and in layman's terms, what are the provisions of these sections?

Return tabled.

Mr. Speaker: Shall the remaining questions stand?

Right Hon. J. G. Diefenbaker (Leader of the Opposition): At this point I rise on a question of privilege. In view of the desire of hon. members to bring about a termination of this portion of the session without in any way reducing our responsibilities, the matter of answers to questions becomes of great importance. Starred questions in the British tradition are to be answered within three days. The answers to starred questions today are being delayed unnecessarily in certain instances. I point out that starred question No. 81 that I placed on the order paper on May 17 regarding the position of the international control commission in Asia has not yet been answered. There can be no excuse for that delay.

Furthermore, another starred question which the hon. member for Saskatoon (Mr. Brand) put on the order paper on May 8, having to do with the Steven Truscott case, has not been answered. In that instance too there has been an unjustifiable delay. I ask the government to give attention to these matters and to have replies made at the first opportunity. There can be no reason for having starred questions if they are starred only in the record but not in the minds of the ministers to whom they are directed.

UNITED NATIONS

MIDDLE EAST—INQUIRIES AND STATEMENTS ON PRESENT POSITION

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 concerning the excellent speech the Secretary of State for External Affairs delivered at the United Nations during the course of the debate. He set out four definite points; I will not outline them, but they are in his speech.

I would ask this. Was it a matter of government decision that two of the six points enunciated by the Prime Minister in his speech in the house of June 8, 1967, were omitted? I particularly refer to that part on page 1294 of *Hansard* for June 8, 1967, where the Prime Minister said that one of the six points was the establishment once again of a United Nations presence in force between the armies that have been fighting, and a presence which will operate on both sides of the border.

Why was that important point omitted? Will the Prime Minister also say, in connection with the Middle East problem, whether his attention has been drawn to the views expressed today by His Holiness the Pope to the effect that Jerusalem should be internationalized? What is the attitude of the government in that regard?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, so far as the omission of any points made in this house from the speech by the Secretary of State for External Affairs is concerned, if the right hon. gentleman will take another look at the speech he will find the point that he mentioned as having been omitted has been included, but not in the four points that were referred to seriatim. It was referred to as an indication in general of the importance of the United Nations presence in the area. That was referred to in the speech, but not as one of the four points.

So far as the suggestion of His Holiness the Pope is concerned, we have taken the position—and I think I referred to this the other day in the house—that there should be international supervision of the holy places of Jerusalem. That was one of the points the Secretary of State for External Affairs mentioned in his statement.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I am sure we all welcome the Secretary of State for External Affairs back to the house after his arduous labours. I wish to ask him if any pattern seems to be emerging from the discussions which have taken place, particularly the private discussions at the United Nations and those which have been held between the President of the United States and the premier of the Soviet union.

I should also like the minister to tell us whether there is any particular program for which the Canadian government is pressing, for example a political settlement precedent to any withdrawal of troops, or any long term plan for the placement of refugees and the economic rehabilitation of the middle east.

Hon. Paul Martin (Secretary of State for External Affairs): I thank the hon. gentleman and the right hon. Leader of the Opposition for their generous words. At the present time there are two propositions before the general assembly, one put forward by the United

States and one put forward by the Soviet union. It may be that neither of those resolutions in its present form will, in its entirety, command wide support. It may be that the best course would be to work for a compromise arrangement. In any event we shall have to see what is the outcome of the present debate, and whether a compromise resolution which might set in motion some encouragement for negotiation directly between the parties or through the intervention of a third party, either under the auspices of the United Nations or otherwise, might be acceptable.

The position we took with regard to the main issue, namely the call for the withdrawal of the forces of Israel, was that such a withdrawal must be related to the other basic issues involved including, of course, the rights of Israel and the other parties, such rights as freedom of navigation, the solution of the refugee problem and issues of that sort. We would certainly hope there would be a relation between the request for a withdrawal and a recognition of these issues. It is too early at this time to say whether there will be this relationship between the request for withdrawal and a recognition of the issue I have mentioned.

In any event this is the objective the Canadian delegation has in mind, and I cannot see that as a result of the talks between the chairman of the council of ministers of the Soviet union, Mr. Kosygin, and the President of the United States any real progress in this regard has been made. Certainly nothing which was said by the President, nothing which was said by Mr. Kosygin in his press conference last night, indicates that either of these two countries has changed the position which it formally stated before the general assembly. Nevertheless I am sure I express the views of everyone in this house when I say we were gratified that the heads of the governments of the two most powerful countries in the world did have ten hours of discussion.

Mr. Douglas: In view of the fact that the Soviet union and some other nations have made vehement demands for the withdrawal of Israeli forces, will the Canadian government oppose any move on the part of the United Nations to order a withdrawal of Israeli forces unless it is accompanied by the kind of ironclad guarantees to which the minister himself has just referred?

[Mr. Martin (Essex East).]

Mr. Martin (Essex East): The Canadian position is that while we cannot support the seizure of territory by force, withdrawal by the forces of Israel must be linked with the negotiation of arrangements which take into account the basic rights and interests of the parties concerned; and in this instance, of course, Israel is very much included.

Mr. David Lewis (York South): Mr. Speaker, on Friday last I asked the right hon. Prime Minister whether the government was contemplating any special or additional contribution to UNRWA to deal with the immediate needs of the refugees, and the right hon. gentleman said he would rather leave the matter until today when the details would be known. Could the house be informed of them now?

Mr. Pearson: Mr. Speaker, as my hon. friend knows an announcement was made in the house last week that deliveries under the $2½ million which had been made available in earlier appropriations for food and relief to the Middle East area would be speeded up, and that in addition there would be a special contribution for emergency medical supplies through the Red Cross.

It was difficult last week and before that to obtain from the International Red Cross and the United Nations authorities the exact nature of their requirements to meet the immediate emergency but we did finally get, and I think I indicated this last Friday, a good deal of information. As a result of an examination of this information concerning the needs and the emergency requirements, the government has decided to make available an additional $1 million worth of food aid to the United Nations relief and works agency. That doubles the food aid to UNRWA, which was $1 million in the earlier appropriation. It was also decided to meet the cost of the transportation of this additional food aid to the area concerned, a cost which had previously been borne by other United Nations members of the organization.

These transport costs will come to between $125,000 and $225,000. It was also decided to make available an extra $80,000 to the Canadian Red Cross for emergency supplies, largely medical supplies. This represents an additional $1,200,000 or $1,300,000 worth of aid to meet the requirements of relief and rehabilitation with which we now find ourselves faced in the Middle East as a result of the conflict.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I would like to direct a further question to the right hon. Prime Minister. Is the government considering the advisability of making continuing contributions to relief and the assistance of refugees conditional upon sincere efforts being made to rehabilitate the refugees so they will not be a continuing problem throughout the years?

Mr. Pearson: Mr. Speaker, I think this is a very important point. Before the outbreak of the conflict a few weeks ago, we associated with our contributions not a condition but a statement that some effective effort must be made to deal with this problem if we were not to continue making contributions merely to keep people on relief. We did not make that a condition because we did not feel we could do it in that way and then have the refugees themselves suffer because of the absence of relief. If all member countries had made such a condition there would be no relief at all. We have done our best, however, to create the impression that we cannot go on indefinitely meeting these emergency situations by monetary relief. We have made that clear and we will make it clear in connection with our additional contribution.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, a moment ago I asked the reason for the omission of the United Nations force operating between the two areas, the Arab and Israeli areas, from the four points given by the minister at the UN, and the Prime Minister replied that he felt this had been dealt with in the speech by the Secretary of State for External Affairs. I ask the Secretary of State for External Affairs why he did not press for the establishment of a United Nations presence in force between the armies, to use the words of the Prime Minister, and that that presence should operate on both sides of the boundary. The Prime Minister mentioned that this was dealt with in the speech made by the Secretary of State for External Affairs. I ask the Secretary of State for External Affairs why he was so delightfully uncertain in this regard, because the reference to it in his speech was as follows:

> Canada supplied the first commander, General Burns, and a sizeable contingent to the force. UNEF was the first peace keeping force to be established by the United Nations. I am convinced that its record of accomplishment and service will be a legacy upon which the United Nations will be able to draw in future. This record will be far more important in the verdict of history than the current differences of opinion over the circumstances of its withdrawal.

If the minister still believes in the force, why didn't Canada come out for direct operation rather than pay encomiums to the record of history and the legacy of the future, and say we want a United Nations force strong enough to preserve the peace in the Middle East?

Mr. Martin (Essex East): Mr. Speaker, I think we did both those very things. First of all I took occasion to pay tribute to the contribution made by the United Nations emergency force, and I underlined that I thought that contribution was more important than the controversy over the circumstances of its withdrawal. But I did say with regard to the United Nations truce supervision organization, which is an existing presence of the United Nations, that Canada envisaged it as having a continuing responsibility not only with regard to the withdrawal of forces but also for the function of observation. We hope that this organization, already established by the security council, will have not only its present but also an expanded role. However, that is something that remains to be decided once the substantive issues now before the general assembly have been dealt with.

Mr. Jack Roxburgh (Norfolk): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister with regard to the refugee problem. A couple of days ago the Prime Minister stated that Canada would be willing to take a certain number of Arab refugees. If we do take some of these refugees I want an assurance that it will not interfere with our present immigration policy which we have established, to bring in some 200,000-odd immigrants this year.

Mr. Pearson: I think, Mr. Speaker, any contribution, as part of a United Nations effort, that we could make to this problem by taking in certain refugees, would have to be considered apart from and beyond our ordinary immigration pattern, that is to say, the flow of immigrants coming in in the ordinary way.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I wish to direct a related question to the Secretary of State for External Affairs. Has the military commander of the United Nations emergency force made a report to the secretary general of the United Nations concerning the steps that were taken for the withdrawal of the force, the attacks that were made on that force and the casualties that were suffered? And if there is such a report, will it be made available to the House of Commons?

Inquiries of the Ministry

Mr. Martin (Essex East): Mr. Speaker, I made inquiries when I was at the general assembly on Thursday last as to whether such a report would be made available. One will be made available as a result of the report the secretary general himself will be making to the security council, but the report of the force commander is not as yet a public document.

[*Later:*]

Mr. Speaker, may I just take one moment to supplement an answer I gave a few minutes ago to the right hon. Leader of the Opposition. In addition to the United Nations truce supervisory organization which continues to function, and which I mentioned in my statement, I also referred to the Palestine conciliation commission, which many people seem to have forgotten, but which is still in existence.—

Mr. Diefenbaker: And inoperative.

Mr. Martin (Essex East): Yes, it is operative. The significance of that commission is that in its membership are to be found, in addition to Turkey, two of the great powers, the United States and France. I believe my right hon. friend may find that considerable attention will be given to a possible further role for that commission.

Mr. Diefenbaker: Mr. Speaker, would the minister table the speech he made so that those who run may read; because I have examined it very carefully and I find there was such an omission to deal with an emergency force, and that surprises me.

Mr. Martin (Essex East): I shall be very glad to table the speech. I would simply point out that in one portion of the speech there is this sentence:

> I would expect them to exercise a continuous responsibility as the withdrawal of Israeli forces takes place, particularly if arrangements can be made for this withdrawal which will result in demilitarized zones on both sides of the borders.

This sentence follows a statement which reads: "The UN military observers—the United Nations truce supervisory organization—to whom I wish to pay special tribute, have already played a valuable role in observing the cease fire".

Mr. Diefenbaker: That is not the United Nations emergency force.

Mr. Martin (Essex East): My hon. friend points out that it is not the United Nations emergency force. Regrettably that force has been withdrawn.

Mr. Speaker: Has the hon. member leave to table the speech?

Some hon. Members: Agreed.

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. Is it still United Nations policy that the belligerents should agree on the nationals who form the peace keeping force?

Mr. Martin (Essex East): I am sorry, I did not hear the question.

Mr. Pugh: Is it United Nations policy that the belligerent nations should agree on the nationals who form the United Nations peace keeping force?

Mr. Martin (Essex East): Yes, Mr. Speaker. I think it must be clear that before any United Nations force can be established it must have the consent of the country in whose territory the force will operate. If it involves more than one country, then the consent of these countries for the establishment of the force is an essential condition.

Mr. Diefenbaker: Then this is the end of the force.

Mr. Pugh: Has Canada been approached by the United Nations to keep such a force ready?

Mr. Martin (Essex East): The United Nations has not dealt with the nature of the United Nations presence that may be required. As I said a moment ago, the United Nations truce supervisory organization is carrying on its function of observation. Canada has some 22 officers who are part of that United Nations truce supervisory organization, a body which continues to perform, as it did during the cease fire, a very great service to the cause of peace.

WATER RESOURCES

OTTAWA RIVER—REQUEST FOR POLLUTION CONTROL

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, if I could move from world problems to the local scene I have a question I should like to direct to the Minister of Public

Works in his capacity as the minister responsible for the national capital area. My question has to do with the very serious water pollution situation in the Ottawa river. The question is one which is being asked by many people. Can we do nothing to stop the pollution of this river before it becomes a proper sewer?

Mr. Speaker: Order. The question is of a very general nature and cannot be asked at this time.

TRANSPORT

INCREASE IN FERRY RATES, NEW BRUNSWICK-PRINCE EDWARD ISLAND

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, I have a question for the Minister of Transport of which I have given him notice. Were hearings held by the Canadian Maritime Commission into the rates charged on the Borden-Cape Tormentine ferry service, as was indicated would be the case, before authorization was given for the discontinuance of the sale of reduced round trip tickets which I understand is to come into effect on July 1?

Mr. Speaker: Order, please.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, because of the date on which the proposed change is to become effective, I think the question is urgent. I am very grateful to the hon. member for Queens for his courtesy in letting me know that he intended to ask this question.

The hearings, which at that time it was thought might be held, were not held because in the interval we had come to the conclusion that there should be no general over-all increase at all. It was thought that the scheme which had been worked out of selling books of ten tickets so that regular users would not have any increased charge would meet most of the problems that might have come up at a hearing.

Perhaps I might be permitted to add just one word. In the statement I issued on Friday I added the following:

> But if experience shows there are other users, such as farmers carrying their produce in their own trucks, who are not able to benefit from the commuter rates the maritime commission is prepared to give consideration to some means of meeting such problems.

It was thought that really the serious problem would be met by the commuter ticket system, but that if there were some cases of hardship it would be better to see what they were before we have hearings in relation to them.

Mr. MacLean (Queens): May I be permitted a supplementary question, Mr. Speaker. Before the announcement was made was the Prince Edward Island government advised of the proposal and did they acquiesce to it in advance?

Mr. Pickersgill: It was not felt that it would be proper to ask the Prince Edward Island government to take any share of what is a purely federal responsibility. However, the government was informed of the intention, and the government of Prince Edward Island as well as others in Prince Edward Island who are interested had emphasized to us the urgency of improving the service. I am sure the hon. member knows that these improvements in the service were urgently needed for the summer traffic.

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a supplementary question. I should like to ask the minister whether, since the announcement of this very steep increase, he has received a protest from the government of Prince Edward Island and, if so, what action he is taking in that regard.

Mr. Pickersgill: To the best of my knowledge I have received no protest from anyone.

Mr. David MacDonald (Prince): Mr. Speaker, I have a further supplementary question which I should like to direct to the Prime Minister. In view of the fact that this action as announced by the Minister of Transport on Friday is to take place on the anniversary of confederation, on Dominion day or Confederation day, July 1, will the Prime Minister give very serious consideration to delaying such action against one of our provinces until full consideration can be given to the matter and time allowed for the various interested bodies to put forward their own views, since this is something which will affect transportation to one of the finest provinces of this country?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, in view of the fact that next Saturday, as my hon. friend says, is Confederation day I will be pleased to discuss the matter with the minister.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: You can argue that out between yourselves.

Inquiries of the Ministry

HOUSE OF COMMONS

REQUEST THAT PROCEEDINGS BE TELEVISED

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to address a question to the Prime Minister on a matter of urgency. It has to do with a viewing of parliament by the C.B.C. while parliament is in session. It becomes emergent now because of the early adjournment of this session. Various members have spoken on the need for youngsters of Canada attending school to know about the operation of parliament. This need not be done at great length, but it should be done in such a way as to give them an idea of how parliament operates. So far as we are concerned, we are for it. There are a few Liberal members who are opposed to it. I ask the Prime Minister would not he, as leader of the house, take this matter in hand and give the C.B.C. the opportunity to go ahead with something which will be beneficial not only this year but for future generations, and particularly in this our centennial year.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I shall be glad to look into this matter. I know my hon. friend the house leader has been discussing it with members of the other parties. Perhaps he will be in a position to make a statement later this week in the hope, which I share, that we might be able to do something along these lines next week. However, I would rather put it off until September or October and do it in the right way than do it next week without adequate preparation.

Mr. Diefenbaker: Mr. Speaker, there have been many opportunities. The cameras were here. If we wait until the fall it will be too late for the schools of Canada to have the information. This may not be the view of the hon. member who constantly abolishes the Queen, but I think it is the view of everybody else.

Mr. Pearson: I shall be glad to look into it.

TRADE

REPORTED DISCREPANCY IN COMMODITY ACCOUNT FIGURES

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of Trade and Commerce. When the minister authorized publication of the figures on the balance of trade in commodity account—he also used the figures in his report in discussing his estimates before the committee—was he aware of the omission from the report of the returns from a major port, with the result that there was a discrepancy of over $100 million in the figures?

Mr. Speaker: Order. I doubt that this is a question that can be asked at this time.

LABOUR CONDITIONS

CAPE BRETON—STOCKPILING OF STEEL TO PERMIT RE-EMPLOYMENT

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the Prime Minister. Last Thursday the right hon. gentleman, in reply to a question asked by the hon. member for Burnaby-Coquitlam, said he might be able to make a statement today or tomorrow regarding a government decision concerning the stockpiling of steel at the Dosco plant at Sydney to alleviate the unemployment situation there. Is the right hon. gentleman in a position to make this statement today?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I assure my hon. friend that the statement on that very important matter will be made tomorrow. We will be discussing the matter again in cabinet tomorrow morning and will make the statement in the afternoon.

[*Translation*]

AGRICULTURE

ARDA—INQUIRY AS TO APPOINTMENT OF DIRECTORS AND ADMINISTRATION

On the orders of the day:

Mr. Jean-Eudes Dubé (Restigouche-Madawaska): Mr. Speaker, I wish to put a question to the Minister of Forestry and Rural Development.

Further to a recent and urgent report from the CRAN group of northeastern New Brunswick, does the minister responsible for the implementation of ARDA intend to proceed soon with the appointment of directors and co-ordinators of this first pilot area to be established in the country?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, the Civil Service Commission will announce this week the appointment of Mr. Henri Têtu, former manager of the Eastern Quebec

Development Board, as the first federal co-ordinator in this northeastern area of New Brunswick.

It will be recalled that, in September 1966, two agreements were signed between the government—

[*English*]

Mr. Speaker: Order, please. Is the minister rising to make a statement at this time? If he is, I suggest that he should ask leave to revert to motions.

[*Translation*]

Mr. Sauvé: Mr. Speaker, I do not want to make a long statement, but I know there have been comments in the newspapers and on the radio with regard to certain administrative delays, and I should like to reassure the members of the house concerning what has happened since September. If the Chair would rather I wait till tomorrow, I shall willingly wait till then, on motions. Is there any objection to—

Mr. Speaker: Is there any objection to having the minister now give the house the information he has just alluded to?

Some hon. Members: Agreed.

Mr. Sauvé: Mr. Speaker, on September 20, 1966, the federal government and the government of New Brunswick signed two agreements on area development. On September 27—

Mr. Speaker: Order. There seems to be some objection to having the minister pursue his statement. Therefore, I suggest that he either wait until motions are called tomorrow or ask the house to revert to motions immediately.

[*English*]

TRADE

WHEAT—REPORTED CANCELLATION OF JAPANESE CONTRACT

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 the Canadian Wheat Board falls. Will the minister inform the house the exact amount and volume of the wheat contract with Japan, which according to press reports has been cancelled; and will he give the reasons for the failure to reach agreement?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, there has been no cancellation of a contract with Japan. Discussions have been going on for the last few days in Japan between Japan and the Canadian Wheat Board, and it has been agreed that for the time being Japan will purchase her requirements on a month to month basis. But there is nothing by way of withdrawal of a contract.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, is the press report correct to the effect that Japan and Canada have failed to agree on Japanese imports of Canadian wheat, because the Japanese felt prices were too high, while Canada thinks the prices will be maintained; is it a fact that as a result of the breakdown of negotiations Canadian wheat will increase by 2 cents a bushel for Manitoba No. 2 and 9 cents for Nos. 3 and 4? It is also reported that there will be no acceptance at the present time of the general price level of the international wheat agreement. Is this accurate?

Mr. Winters: Japan agreed at Geneva to the general structure of the agreement negotiated under the terms of the Kennedy round, but they have decided, in the light of the uncertainties at this stage of the growing season, that they would prefer to wait and take their wheat on a month to month basis. This was all done in a most amicable and friendly way between Japan and the Canadian Wheat Board.

Mr. Diefenbaker: I am not speaking about the amicable nature of the discussions, but would it be amicable if the Japanese government gave notice that if the price continues at the present level, low priced wheat will be imported from other sources such as the United States and Australia? Is that so?

COAL

INQUIRY AS TO FREIGHT RATES FROM INTERIOR B.C. TO COAST

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Transport. I apologize for not sending him notice but I was unfortunately detained by a couple of pressmen who wanted to know where my centennial bust was going to be erected in Kootenay West.

Some hon. Members: Oh, oh.

Inquiries of the Ministry

Mr. Herridge: Can the minister inform the house of any late developments with respect to the negotiations for the hauling of coal from the interior of British Columbia to the Pacific coast?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I did not realize that the hon. gentleman was having a centennial bust, and I congratulate him.

Mr. Diefenbaker: What is the nature of it?

Mr. Pickersgill: It may be that later this week I will have something to communicate, but at the present time I have nothing that would add to the encyclopaedic knowledge the hon. gentleman already has.

[*Translation*]

TRANSPORT

INQUIRY AS TO PROTECTION AT LEVEL CROSSINGS

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to direct the following question to the brilliant Minister of Transport. Since turbotrains will be put into operation in the near future, will the transport commission and the railway companies conclude an agreement soon concerning regulations which would provide maximum safety at grade crossings?

Mr. Speaker: I suggest that the hon. member should put his question on the order paper.

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

FORESTRY

OTTAWA—STATEMENT ON FATAL ACCIDENT AT LABORATORY

On the orders of the day:

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, last Friday the hon. member for Queens (Mr. MacLean) asked a question in the house concerning the accident which occurred on property belonging to the department of forestry in the Ottawa area.

An investigation is being made by the provincial, federal and municipal authorities to determine the cause of this accident, which did not take place in the laboratory but in a household garbage truck. Unfortunately, one of the men working on the truck died last Thursday.

We will give out more detailed information when we have it.

[Mr. Herridge.]

[*English*]

PUBLIC SERVICE

LEGISLATION TO INCREASE PENSIONS OF RETIRED CIVIL SERVANTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I had a question I wanted to put to the Prime Minister, but in view of the fact that he has had to leave the house I wonder if I may put it to the government house leader. In view of the fact that the arrangements we have now made for bringing to a close this part of the current session include time for legislation other than supply, notably Friday, July 7, after we have passed the supply bill, will the government do its best to bring before the house before we break for the summer recess the legislation respecting pension increases for retired civil servants?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, in the absence of the Prime Minister and the Minister of National Revenue I shall be glad to take this question as notice and bring it to the attention of the Prime Minister for an answer at a later date.

Mr. Knowles: Mr. Speaker, will the minister, as government house leader, also take notice of it himself?

TRANSPORT

REQUEST FOR FERRY SERVICE RATE INCREASE, NOVA SCOTIA-NEW BRUNSWICK

On the orders of the day:

Mr. Melvin McQuaid (Kings): Mr. Speaker, my question is directed to the Minister of Transport. I would ask the minister whether Northumberland Ferries Limited, the private company which operates the ferry service between Nova Scotia and New Brunswick, made a request of the government for an increase in rates on that particular service.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, as the hon. gentleman knows, of course, Northumberland Ferries are subsidized quite substantially out of the federal treasury. There was a very great deal of pressure for additional service that would have added substantially to the cost. It was felt that the additional service was needed because of the desire of people to visit Prince Edward Island. Because of the additional cost it did not seem unreasonable that some part of it should be recouped.

Mr. David MacDonald (Prince): I have a supplementary question for the Minister of Transport. In his press release on Friday afternoon he contended that the additional service will be paid for out of the additional cost. Is there a direct relationship or is this just a hit or miss affair?

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

TRANSPORTATION

MEETING IN WESTERN CANADA RESPECTING RAIL LINE ABANDONMENT

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I also have a question for the Minister of Transport.

Mr. Pickersgill: I seem to be popular today.

Mr. Pascoe: Has the minister any more definite information regarding a meeting in western Canada of the Board of Transport Commissioners with parties wishing to present their views on possible rail line abandonments?

Mr. Speaker: It seems to me this is a repetition of a question which was asked last Friday.

Mr. Pascoe: Mr. Speaker, this is an important matter. A meeting has been called for August 1, and we are trying to have one in western Canada before that date. I gave the minister notice of the question.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I wonder whether you would let me answer the question briefly. An announcement has been made today that a meeting will be held in Winnipeg on August 8.

VETERANS AFFAIRS

INQUIRY AS TO INCREASE IN DEPENDANTS' ALLOWANCES

On the orders of the day:

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, I have a question for the house leader. While he is transmitting information concerning pensions of public servants, could he also clarify the situation with regard to veterans dependants who were left out in the last increase?

AIR TRANSPORT

PROPOSED ADDITIONAL SERVICE, OTTAWA-WESTERN CANADA

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, my question is for the Minister of Transport and I have given him notice of it. Did the Air Transport Board receive an offer from Pacific Western Airlines to provide additional service from Ottawa to western Canada between July 2 and 16 and, if so, what has been the response of the board to this offer?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the answer to the first part of the question is yes, and the answer to the second part is that the offer is under very active consideration at the present moment.

EXTERNAL AFFAIRS

MIDDLE EAST—REQUEST FOR INVESTIGATION INTO ALLEGED ATROCITIES

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the persistent and mounting allegations of atrocities committed during the course of fighting in the Middle East, can the minister say whether any effort is being made under international auspices to make a determination of these allegations as well as of the reports recently emanating from the Middle East that Israel is attempting to forcibly expatriate Arab residents from the area recently conquered?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, may I take that question as notice.

INDIAN AFFAIRS

REQUEST FOR ORGANIZATION OF STANDING COMMITTEE

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct to the house leader a question which he has been asked on several occasions by the hon. member for Skeena. Is he giving consideration to the calling before the recess of the standing committee which deals with Indian affairs so that it can organize and arrange for the tours of Indian reservations which have been considered by the committee in the last few years?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I would be happy to discuss this question with the minister and the committee chairman to see whether an appropriate reference could be evolved for launching the work of the committee.

TELEVISION

EXPRESSION OF APPRECIATION FOR PROGRAM "OUR WORLD"

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, in the absence of the Secretary of State I wonder whether her parliamentary secretary could pass on our congratulations to the Canadian Broadcasting Corporation and the other broadcasting companies involved for the program "Our World" which was broadcast yesterday and which I think was a success, even though the eastern European countries withdrew.

SUPPLY

Hon. A. J. MacEachen (Minister of National Health and Welfare) moved that the house go into committee of supply.

Motion agreed to and the house went into committee of supply, Mr. Batten in the chair.

The Chairman: Pursuant to the special order made this day the estimates of the following departments for the fiscal year ending March 31, 1968 are now being first taken up and entered for consideration in committee of supply: Legislation, the Department of Manpower and Immigration, and the Privy Council. Shall I report when the committee rises later this day that the estimates of these three departments for the fiscal year ending March 31, 1968 have been first taken up and entered for consideration?

Some hon. Members: Agreed.

The estimates of the following departments were first taken up and entered for consideration.
Legislation.
Department of Manpower and Immigration.
Privy Council.

The Chairman: The committee will now proceed to the consideration of the estimates of the Solicitor General, vote No. 1. Vote No. 1 will be found on page 478 of the blue book and the details are listed on page 480.

DEPARTMENT OF THE SOLICITOR GENERAL

1. Departmental administration including administrative expenses of the committee on corrections plus such fees, salaries and expenses as may be approved by Treasury Board for members and the panel of consultants and staff named by the minister to advise and assist the committee, and grants as detailed in the estimates, $1,015,400.

[Mr. Orlikow.]

Mr. Pennell: Mr. Chairman, I am grateful for the constructive criticism by hon. members during the course of the debate and I should like to express my appreciation of the non-partisan spirit in which hon. members entered into the debate.

First of all I propose to deal with some of the salient points raised in the attractive speech made by the hon. member for Parry Sound-Muskoka. I wish to assure the hon. member that I am in full sympathy with what he said with regard to minimum security institutions. I can assure him that the Beaver Creek minimum security institution will not be closing. On the contrary, it will be expanded to a 150-man minimum security training institution over the next two years, and preliminary discussions have been entered into with officials of the Ontario department of forestry. There will be no cut-backs in the program for minimum security institutions. The program is directed toward making them more permanent and more effective in all regions of the country.

The hon. member also made some interesting observations relating to the National Parole Board. I hope he will permit me to say that this debate pointed up the difficulties confronting the parole board. On the one hand we heard hon. members expressing the opinion—I say this with great respect—that perhaps the parole board is being overly generous in granting paroles and is not scrutinizing applications closely enough. At the same time criticism was raised that the board was not generous enough. So it is caught between two fires. I should again like to put on the record my view that non-institutional treatment such as probation and parole offers the best hope for human renewal.

The hon. member for Parry Sound-Muskoka suggested that the parole board should give reasons for refusing to grant paroles. I concede at once that quite a valid argument can be made on this point, but I would also point out that perhaps there are overriding arguments on the other side of the question. At the present time I understand the parole board receives very valuable information on a confidential basis from respectable citizens, and it seems to me that if reasons for refusing parole were made public the sources of information coming to the board would be materially reduced. This might adversely affect the number of paroles granted.

The hon. member went on to raise the question of the erasing of criminal records. He mentioned the difficulties confronting the

department in this regard. I concur wholeheartedly in his view that any action taken in parliament will really not get to the core of the problem facing ex-inmates. However, I believe we should make every effort to reduce areas of injustice, and although the advance may be small this should not be an excuse for not giving this matter very serious consideration.

The hon. member for Vancouver East asked me to give him an assurance that we would not proceed with any more maximum security institutions of the present design following the completion of the institution at Millhaven. I am pleased to give that undertaking. The ten-year plan is subject to review. We have now reached the half way point, so it seems to me that this is a reasonable place to stop and take a look at our designs and our program in the light of our experience and anticipated needs in the next five years.

• (3:40 p.m.)

I do not quarrel with the hon. member's suggestion that we have not yet provided the answer to the problem of recidivism. However, I feel we have made some progress. It is no comfort to me or to the officials in my department to point out that the United States and Great Britain are facing increased rates of crime greater than that being experienced in Canada. In his 1966 message to congress, President Johnson expressed concern by calling for an increased effort to end the self-defeating cycle of imprisonment, release and re-imprisonment.

Recently I visited the maximum state security institution at Atica, New York, and I was surprised to learn that the institution houses 2,100 inmates and that plans are being formulated to build an addition for 400 more inmates. I am sure the committee will be pleased to learn that under our ten-year plan accommodation in our new institutions will not exceed 450. The three new medium security institutions will be opening this year and this will permit us to transfer a large number of inmates from our present maximum security institutions to medium security institutions.

The hon. member for Kings, in a very sincere speech, made a plea for more adequate provision for the short-term offender in the county jails. He will be interested to learn, I am sure, that we have recently had discussions with the attorneys general of two of the maritime provinces with a view to transferring some of the so-called long term offenders in county jails to our new minimum and medium institutions where we feel we can provide better training for them.

The hon. members for Lafontaine and Lotbinière raised a matter that has exercised my mind for some time, the question of capital punishment. I do not propose to say anything further on that subject at this time except to assure them that I listened with a great deal of interest to their very thoughtful suggestions.

The hon. member for Skeena touched on some very important problems that face the penitentiary service. He cited the difficulties surrounding the introduction of trade and technical training into our penal institutions. He mentioned the nub of the problem when he said it is compounded by the age of the offenders and by their lack of education. It seems to me that we can perhaps perform a most useful service by putting more emphasis on academic training of our inmates while they are in these institutions rather than trying to concentrate entirely on technical and trade training.

The hon. member for Skeena pointed out also that we might have some difficulty in moving forward with industrial training and that we would have to have consultations with the various trade unions. This is a fair and reasonable suggestion. It was brought home to me most forcibly last week when I received a letter from a merchant in my own constituency complaining that the products resulting from our trade training program were competing with his products for woodworking in schools. I recognize the force of his argument, and it should cause us to review all our trade and technical training programs in institutions.

I believe I have dealt with the salient points that were raised during the course of the debate. Perhaps at this time I may point out to the committee that a reference to the blue book of estimates would appear to indicate there is a reduction in the appropriation for the Royal Canadian Mounted Police. It is only fair to alert members of the committee that the apparent reduction of some $11,210,071 is brought about by the fact the Royal Canadian Mounted Police have, at the request of Treasury Board, introduced what is known as net voting. In other words, the appropriation being requested now is an amount less the revenues received from contracts. This is a new system which the Royal Canadian Mounted Police are pioneering this year. Actually there will be an increase this

year of $12,111,929 sought by the Royal Canadian Mounted Police. I thought I should bring this fact to the attention of the committee because members may wish to expand upon this point when we are dealing with the various items.

Mr. Aiken: The minister raised one matter, Mr. Chairman, with which I should like him to deal further. It relates in general to trade training within the institutions. His last remark caused me some concern because it indicated that the penitentiaries branch may be reviewing the trade training program in institutions with regard to work that may become competitive with private business. I cannot help but agree that in some cases unfair competition with private industry does result. However, I would urge very strongly that the minister should not review the trade training program with a view to cutting it back but perhaps with a view to directing it into channels which would not create undue competition with the private sector.

In that regard I should like to refer to such work as can be done for other departments of the government. I know that the penitentiaries branch provides gymnasium equipment and so forth for schools. I would hope that the production of these items would not interfere with private industry. Nevertheless, I think it is a general weakness of the program, particularly in the minimum security institutions, that the inmates are not provided with productive work to do. I would be very sorry to see any cut-back in the trade training program or in the actual production programs these institutions are undertaking. I believe there are many areas in which work can be done by the inmates of a penitentiary and the resultant product put on the market without any interference with private business. I think studies could very easily be undertaken to that end. I hope that in any review we will not allow ourselves to be frightened away from institutional production.

I should like to refer also to the expansion that is being proposed at Beaver Creek camp, which the minister mentioned today. Changes are contemplated in inmate employment, but I believe this work must be effective. In the Beaver Creek camp there has been some move to produce equipment and I understand there is a good deal of work available that could be done. I hope that the expansion is based on some sort of increased production and that the question of accommodation will be a secondary consideration. The minister mentioned there had been some discussion with the provincial department of lands and forests about this camp. I expect there are plenty of jobs which can be performed on behalf of that department.

• (3:50 p.m.)

Along the same line, Mr. Chairman, I think that the penitentiaries branch should make more adequate use of inmate labour for local projects. Here again I realize that the department has to be careful not to place itself in competition with local labour. I know that in some cases there has been hesitancy about sending out inmates to perform very healthy outdoor jobs which would benefit the community. These are the sort of jobs in respect of which nobody else can either provide the funds or the personnel, jobs such as clearing park areas for the department of lands and forests or local communities. The inmates would not compete with local industry for labour in the performance of such tasks because in most cases no money is available.

Up to this point I think the policy in this regard has been reasonably good. However, I have noticed that several projects at Beaver Creek camp were turned down and there appeared to be no logical reason for refusing them. These were projects on which no local labour would have been employed. They were community projects for which no other money would have been available. These inmates could have been put to work to improve the community's landscape and appearance. As I stated before, they would have been provided with good, healthy outdoor work and their physical and mental health would have benefited.

From what I have seen of these requests, Mr. Chairman, it seems to me the policy of the department is not very clear. Decisions are not left to the local camp superintendent at all but are referred to some other quarter, probably to Kingston. Apparently there is no way of knowing in advance whether or not a project will be approved. I know that two or three projects which were requested had to be sent on for decision, even though they appeared to me to involve the perfectly logical use of inmate labour. I can see no reason whatever why the superintendent at Beaver Creek camp should be required to get consent from somebody else.

I go back to what I said at the beginning of my remarks, Mr. Chairman, that there is not enough control within the local institutions. I refer not only to Beaver Creek camp but to others as well. I suggest that surely to

goodness the person in charge of the camp should be able to make minor decisions as to where his men will work without referring the matter elsewhere.

With these few additional remarks, which were prompted by the minister's comments and concern about the performance of work in competition with private industry, I will conclude. If I may repeat, I do hope that the minister will not cut back the policy he has been developing of giving inmates good, healthy occupations both inside and outside the institution as well some pride in production, and if there is to be a review I hope it will focus upon an increase in training rather than a decrease.

Mr. Pennell: Mr. Chairman, may I briefly answer one of the questions raised by the hon. member for Parry Sound-Muskoka. I should like to bring to his attention the fact that an organizational study has commenced or is about to commence within the department, and I hope that as a result of that study we will have some answers on the regional set-up which may satisfy the hon. member.

Mr. Fulton: Mr. Chairman, I should like to ask the minister a question about the prospective timetable for realizing one of the objectives of the penal reform program. I am sure the minister will be familiar with the fact that at the conference of provincial attorneys general and reform institution ministers in 1958, at which conference there was unanimous agreement in principle on a penal reform program, it was agreed that the federal institutions would receive and be responsible for all persons sentenced to terms of six months or more. As a matter of sentencing practice it was decided that ultimately an amendment would be introduced to the Criminal Code to do away with sentences of between six months and two years. The agreement in principle that federal institutions would be enlarged and the federal program revised so as ultimately to lead to the housing of all persons sentenced to six months or more in a federal institution was a matter of great interest to most of the provinces, though a matter of considerably greater urgency to some than to others. It was of particular interest to the maritime provinces.

In subsequent years, Mr. Chairman, while I had responsibility for the department we were not able to complete the reform of our institutions and the implementation of the federal program to the point where it was possible to give effect to the understanding or agreement in principle reached with the provinces. But more than four years have now passed since that time, and although I am aware of the difficulties that remain—construction is involved; the fact that the inmate population is increasing is also a factor: —nevertheless, I would ask the minister whether he can say if he has yet been able to set a target date when he thinks he might commence to take over this additional responsibility for inmates in provincial institutions? If he cannot give me an over-all target date, is there any indication he can give that the transfer of responsibility can be made in phases? It would be of great assistance to the maritime provinces if an early start could be made in the transfer of responsibility.

• (4:00 p.m.)

Mr. Pennell: Mr. Chairman, I am grateful to the hon. member for raising this point, which perhaps I should have raised in my opening statement on the estimates. I recognize not only the interest of the hon. gentleman but also the action he took in the field of penal reform. As I have said on other occasions, we are building on the foundation that was laid when the hon. gentleman was the responsible minister. In our defence, if I may put it that way, the department is now asking for perhaps the largest appropriation ever made to construct buildings since the ten-year plan was proposed, and the ten-year plan evolved out of the conference that was arranged by the hon. gentleman. I do not foresee the full implementation of the 1958 recommendation, but I have had discussions with the attorneys general of Nova Scotia and Newfoundland with a view to implementing the suggestion of the hon. member for Kamloops. There is a strong possibility that later this year, when we open the new medium security institution at Springhill, we may begin to absorb some of the long-term county jail inmates in the maritimes. That is as far as I am able to go at this time.

Mr. Orlikow: I read with considerable interest, Mr. Chairman, the opening remarks of the minister on June 6. I was struck by the pedestrian and circumscribed report the minister made compared with that which the former minister of justice, who has just resigned, made two or three years ago on the future activities and plans of the government. It seems to me that in a pedestrian fashion we are continuing to replace buildings. They are among the worst correctional buildings in the western world. In fact, it would be an insult

to the principle of correction to grace our institutions with the name "correctional institutions". In my opinion, and possibly in the opinion of the minister, they are not correctional institutions. They are now, as they have been for 100 years, punitive institutions. We are proposing to replace buildings which are 100 years old or more with new buildings which are not much better.

Though we may replace the buildings, unless we change the principle under which we have operated we shall continue to have, if not the worst, one of the worst penal and correctional systems in the western world. It is a system which gives Canada the dubious honour of having the highest recidivism rate in the western world. It has been estimated that 85 per cent of those entering our penal institutions will return for a second or third time. As far as I can see, nothing that the government is doing or that the minister is proposing will change this situation.

As found on page 1217 of *Hansard* for June 6, 1947, the minister said:

> The penitentiary service, like many other agencies in similar fields, has experienced considerable difficulty in recruiting adequate staff, especially professionals in the psychiatric, psychological and sociological disciplines, to bring about changing treatment and training programs being introduced into its existing institutions and those planned for its new treatment centres.

It is not surprising that we are experiencing difficulties. As the minister said, every institution that needs professionals of the disciplines he enumerated is experiencing difficulties. But other institutions or organizations needing them have established some system of grants for training. The understanding is that those who accept grants will come back to the institution which provides them. If we want psychiatrists we must do that. We must go to the medical schools and say to those who are to graduate: If you want to be psychiatrists, particularly psychiatrists who will work in correctional institutions, we will give you a grant to train with the condition that you work for us. We have nothing like that, and the results are obvious. They have been shown to us in answers to questions that I and other hon. members have asked.

Though the psychiatrist at Kingston is classified as a full-time psychiatrist I do not think that we have in fact a single, full-time psychiatrist in our correctional institutions.

Mr. Pennell: As of this year we have two full-time psychiatrists.

Mr. Orlikow: Where?

[Mr. Orlikow.]

Mr. Pennell: There are two full-time psychiatrists at Kingston. We added another full-time psychiatrist at Kingston this year.

Mr. Orlikow: I presume that the minister means that another psychiatrist has been added in addition to Dr. Scott. However, I understand that Dr. Scott conducts a private clinic and a private practice as well. I would not consider him full-time.

I wish to repeat publicly so as to have it on the record something I said to the minister privately, because I am prepared to stand publicly behind what I say in private. The views which Dr. Scott expressed in newspaper interviews during the discussion of the Steven Truscott case were completely unprofessional and unwarranted. One who works in a correctional institution and who interviews inmates as Dr. Scott interviewed Steven Truscott has, in all common decency, no right to make the kind of comments which Dr. Scott was reported to have made. I know that in subsequent statements reported in the newspapers he maintained that he had not made the original statement, but if he did it was wrong of him to do so.

If we are to break down the circle whereby people commit crimes, are apprehended, charged, tried, sentenced, sent to prison, serve their sentences and are released only to commit another crime, we must make a major breakthrough. Surely there has been enough experience in other jurisdictions to show how we can break out of this circle. One way is to have a professional staff to deal with those who get into trouble. We are not attracting professionals to our penal service simply because we do not really believe in having them. I know that the minister can say all the right things and the commissioner can speak of how they want such professionals but the fact is, as I have said before, that we do not back up our words with money. We do not provide grants with which to attract psychiatrists, psychologists and social workers to our institutions.

I have already said that one way of attracting these professionals is to give them training grants with the proviso that on completing their training they shall work in the institution which has given the grant. Though we may have had some professionals in the women's institution at Kingston, for example, the authorities make it clear that they do not really believe in the kind of work these people do. I will not repeat ad nauseam the testimony that some of these professionals gave before the parliamentary committee, but the former

director, a psychologist and a social worker said they could not stay because the kind of work they wanted to do, the kind of approach they took toward the women inmates and their thinking on the problems of correction were being undermined by the person who had newly been put in charge. If they were right, and I believe they were, then certainly there needs to be a complete change in the organization of the correctional system. But we have heard not a word of this from the minister. I presume he is satisfied with what happened.

• (4:10 p.m.)

Mr. Pennell: I hesitate to interrupt the hon. member because he was very courteous in allowing me to make my remarks without interruption. But the hon. member will recollect that six months after the previous superintendent had left—and I make no reflection at all on the previous superintendent—the hon. member for Vancouver East asked me to give an undertaking in the house that I would not remove any of the 21 inmates convicted of offences arising from drug addiction at Kingston penitentiary without their consent. I gave that undertaking. This was six months after the change in the administration. Eighteen of them asked that they should be allowed to remain at Kingston. We fulfilled that undertaking. I would merely point out that we have not abandoned many of the procedures which had been carried on there prior to the appointment of the present superintendent.

Mr. Orlikow: I am not certain what that decision by the inmates themselves had to do with the treatment they were receiving. It may well be that the inmates find themselves happier and more at ease in an authoritarian institution where they know precisely what is expected from them, become accustomed to the discipline which is maintained and so on. It may be easier for inmates to accept orders without question while they are confined in an institution. But it does not follow that after they get out there will be any basic change in their outlook on life or that they will be less likely to get into trouble than they were when they committed the offence for which they were sent to the institution.

This is precisely the point which qualified people have been trying to make. I am not an expert in this field and I have never pretended to be. I wish, however, I could feel that the minister and his department were listening to and reading the submissions made to them by organizations which are staffed by the few professionals we have in this country and whose boards comprise the people who are most interested in having the correctional system operate in a way as different as possible from the present system which has proved to be such a dismal failure.

I have in mind submissions made by organizations such as the Canadian Corrections Association, the John Howard Society and the Elizabeth Fry Society. I appreciate that this is not the first day upon which we are dealing with these estimates and that there is an agreement, to which I subscribe, that we should finish the business of the house, including consideration of these estimates, with reasonable dispatch. But surely the minister is aware of the representations which have been made to him by the Elizabeth Fry Society in connection with the women's institution at Kingston. I submit that the criticisms and the suggestions which were made have not been answered or followed by the minister or by anybody else in his department. Nothing in the situation has changed.

I shall not go into detail again because this ground has been covered many times not only by myself but by other hon. members including, I suppose, the minister himself before he became minister. I refer to those matters dealt with in the reports of the Archambault commission and the Fauteux commission. We must also be prepared to consider the recommendations which I hope will be made by the committee headed by Mr. Justice Ouimet.

I am disturbed at the speed with which the government is proceeding in its program of putting up buildings which will be with us, I suppose, if we go by past experience, for the next 100 years. The minister told us on June 6 that during this fiscal year three more medium security institutions for young offenders and selected male adults will be opened at Springhill, Nova Scotia, Warkworth, Ontario, and Drumheller, Alberta. He also said that provision has been made to establish five community release centres in various cities across Canada. Later he talked about the construction of four reception centres, one each in the Atlantic region, Quebec, Ontario and western Canada, and the purchase of a site for a new modern institution for the treatment of female offenders in eastern Canada.

Can the minister tell the committee how this building program squares with the memorandum presented to the Solicitor General on March 18, 1966 by a host of organizations interested in the question of correction? I will not read the whole of this impressive list but

simply mention a few of the organizations involved: the Anglican Church of Canada; a number of the dioceses of the Roman Catholic Church; the Canadian Association of Social Workers; the Canadian Corrections Association; the Canadian Lutheran Council; the Elizabeth Fry Societies; the John Howard Societies, and so on. I could go on and on.

All these organizations have strong objections to the isolated location of many of the penitentiaries recently completed or now in course of construction. Has consideration been given to these representations which arise in part from the fact that it is difficult to obtain the services of properly qualified staff in locations so far removed from the main population centres? If there is a shortage of psychiatrists, as there is in this country, if there is a shortage of psychologists, as there is in this country, if there is a shortage of social workers, as there is in this country, and if these people have a choice as to employment, is the minister or his department surprised that these specialists should want to live where others in their field are living, in Montreal, Toronto, Winnipeg, Edmonton or Vancouver? They do not want to live in the rural, small town areas where we have traditionally built our correctional institutions. If the minister really means business and would like to obtain the services of professional staff, is he giving consideration to this criticism which has been levelled at the building program and to these representations that we should build our institutions near the cities? If he has, I should like to hear from him.

• (4:20 p.m.)

This group of organizations also talked about priority in building. The minister listened to their submission more than a year ago and he knows as well as I do that there is no connection between the priorities they suggested and the building program which the minister spoke of on June 6. Their first priority concerned reception and classification units. There is not a single reception and classification unit on the list which the minister gave.

I shall not go into detail again on the many objections to the horrible, terrible, mediaeval building which has been erected at St. Vincent de Paul, a building which is the shame of the government and the people of Canada. It was too late to stop its construction when this group made their submission but they did suggest that it be turned into a reception and classification unit. I would like to hear what the minister thinks about that.

[Mr. Orlikow.]

Their second priority was medical and psychiatric units where people with special problems could receive treatment. I could cite case after case reported in newspapers in my own city of Winnipeg, in Montreal and Toronto, where people who committed crimes and appeared before magistrates and judges were sentenced to six months or a year in prison. In each case the magistrate in effect told the individual, "I know you are not going to get any help in the jail or penitentiary to which I am sending you. You will be just as bad or worse when you come out of it but I simply do not have any other place to send you." Sex offenders and other types of offenders who need special treatment are sent to regular correctional units where they tend to corrupt the other inmates.

Their third priority concerned maximum security units. I would like the minister to tell us what decision the government has made about the Millhaven unit. I have before me a letter dated May 18, 1967, copies of which were sent to all members of parliament by the president of the John Howard Society of Canada, Mr. A. B. Whitelaw. It includes a resolution which I want to put on the record:

> Resolved that the John Howard Society of Canada go on record as approving the conclusions of the parliamentary committee condemning the design of the maximum security institutions and that we urge the government not to act on the recommendation of the penitentiary committee to proceed with the maximum security institution at Millhaven on the present design; but that we urge the government to find alternative methods of dealing with present population problems in the federal prisons, if such do exist, until a more acceptable design can be developed.

I would like to know from the minister whether that resolution is being considered by the government or whether, like all the other recommendations of this and other organizations, it is being ignored and is gathering dust in the files. If it is being ignored I wonder how long the minister expects the people interested in these organizations to continue their work.

This group of organizations also recommended that we get on with the job of special detention units. I have already mentioned what they think about the one we have built at Montreal. These are voluntary organizations and these are their recommendations with respect to a proper correctional program. Before we pass these estimates I would like to know what the minister proposes to do about them.

If we are to make any basic change in the situation it seems to me we have to look at the problem before people actually enter prisons,

correctional institutions, or whatever you want to call them. Some years ago I said that the federal government should consider co-operating with the provinces on basic steps that can be taken before a person goes to prison. The chief basic step revolves around the question of probation. I am not going to say I told you so, or quote the exact words, but I did suggest that the federal government should appropriate a fairly substantial amount of money to be offered to the provinces so that they could expand their probation facilities for those people who are brought before a court on a first offence, found guilty and, whenever possible, are given probation under proper supervision. The minister knows that in Great Britain, which has three times our population, the number of people in correctional institutions is only slightly larger than the number in such institutions in Canada. The reason is simple. For many years Great Britain has had a probation system under which first offenders usually do not go to prison.

In February of this year the Canadian Welfare Council submitted a brief to the minister headed, "Proposals For Development Of Probation in Canada." It contained 25 recommendations. The most important was the last and I want to put it on the record. It reads as follows:

> That a national probation act be designed to develop uniform standards of probation practice throughout Canada; the said act to deal with—
>
> (a) The appointment of a probation consultant and such staff as shall be deemed necessary.
>
> (b) Grants to provinces for the operation of probation within any province.
>
> (c) The qualifications, duties and powers of probation officers.
>
> (d) The training of probation officers.
>
> (e) Any matter necessary or advisable to effectively carry out the intent and purpose of the act.

To me this recommendation makes a great deal of sense. It strikes at the root of the problem. Indeed, this whole brief comes up with solutions much more fundamental than any which have been considered to date by the government. I would like to know whether the minister is giving serious consideration to this brief.

Without a national probation system the kind of treatment a person who breaks the law gets depends not on the kind of crime he commits, something which would make sense, but to a large extent on where he commits the crime. Dr. Stuart Jaffrey, who was a professor at the University of Toronto until his death, wrote a book giving graphic examples of this problem. The most common offence in Canada for which people are tried and convicted is theft. Professor Jaffrey had this to say:

> An offender (who commits a theft) is three times as likely to receive suspended sentence in Manitoba as in Quebec; he is twice as likely to receive a fine rather than imprisonment. He is nearly twice as likely to go to jail for a short term in Quebec as in Canada generally, and more than three times as likely to go to jail as in Manitoba.

• (4:30 p.m.)

> More seriously, he is twice as likely to go to penitentiary in Quebec than in Canada generally, and three times as likely (to go to federal prison) as in Ontario or Alberta, and five times as likely as in British Columbia.

We on this side of the house are accused of doing a disservice to Canada when we suggest that Quebec is not a province like the other provinces. When we say that, the present Minister of Justice thinks we are doing a disservice to the country as a whole. I suggest that when it comes to crime and how it is dealt with in this country Quebec is a special province. It is different from all the other provinces because until very recently, it has had virtually no probation services. In addition, its judges are more likely not only to sentence people to penitentiary terms but also to longer terms in penitentiary. I have dealt with this matter before and it is not my intention to go into it in any detail today.

It seems obvious that if people in this country who break the law and commit offences are to be treated as Canadians the best thing the government can do is to adopt the recommendation of the Canadian Welfare Council that a national probation act be passed and and that the federal government share the cost of establishing nationally a modern, up to date probation system such as only the provinces of Ontario and British Columbia have at the present time. It seems to me that if the minister will address himself to this proposal and get to work on it he will do much to solve the problem in respect of correction and to reduce the number of people who are being sent to our institutions in greater and greater numbers from year to year. He would also be doing more to bring Canada up to the level of other countries than any minister has done up to the present time. I would hope that the minister would give me some answers to the questions I have raised.

Mr. Rynard: Mr. Chairman, first of all I should like to congratulate the minister and say that he is the right man in the right place. He brings a sympathetic understanding which is so sadly needed in dealing with the people

in our prisons who come under his department.

Some hon. Members: Hear, hear.

Mr. Rynard: I should like, however, to draw to his attention some things which to me appear to be anomalies. I will be as brief as I can. Let us consider the case of a person 18 or 19 years of age who has been stealing. I have a case in mind. This person stole something worth under $10. About a year later he stole something else valued at over $25. He was fined. After that he went straight. Later he was married. He now has a family and quite a responsible position. Approximately 25 years after his offence he ran up against the fact that he had been finger-printed and that his record was on file. This to me seems to be a very disturbing thing. I believe it runs counter to the fact that there is salvation; it is contrary to our Christian principles. It seems that it should be defined as to how long a person should have to suffer and bear the mark of a wrong he has committed.

The second case with which I should like to deal concerns a person who had been in Stony Mountain penitentiary for armed robbery. One day about noon he came into my office in this building. This was about ten days after he had been released from Stony Mountain penitentiary where he had been serving time for armed robbery. When he came into my office I noticed he had been drinking. He wanted some money. He had already tapped one of the gentlemen on the other side for a small amount, I believe. Perhaps he had tapped more than one, although I just heard of the one. The fact remains that he came to my office because he wanted someone to help tide him over for a week. I asked him whether he had been in touch with the John Howard Society, the employment service offices or the manpower offices. Apparently he had been released from Stony Mountain penitentiary without having received any guidance or help. He said to me: "There is only one thing facing me; either I get help or go out and hold up something". I do not know whether he had a gun. He said, "If I go out and hold up a bank or somebody, then I am back again in crime and in the penitentiary."

It seems to me there is something radically wrong with our system when we have situations like this where a person is not guided and helped to obtain a job. After all, he was in the penitentiary for over two years. It seems unfortunate that someone could not have watched over him, given him guidance, and helped him rehabilitate himself. The longer a person is away from crime and following the straight road the easier it should be for him to remain on the straight road. This young man was only 28 years old. I do not know what eventually became of him, but I understand that that afternoon the police were looking for him. I bought him his dinner. I also called the employment service office and arranged for him to go down there. Surely there should be some agency to watch over such people when they leave the penitentiary. Surely more should be done in guidance in cases like these.

I am also concerned about the person who kills somebody, appears for trial, is found incompetent to stand trial on the ground that he is mentally unfit and is then sent to an institution for the criminally insane. He serves a certain length of time in the institution and then all at once the psychiatrists say that he is mentally sound. I believe he must then stand trial for his crime. I have in mind the case of a person who had been in an institution for a period of a few years and was then pronounced fit to stand trial. What concerns me is whether the time such a person spends in an institution for the criminally insane is included in his sentence if he receives one. I am concerned about what happens to these people. Are they followed up by a psychiatrist? I should like to know where justice enters the picture. Some of these people are brought before the courts and then sent to institutions for the criminally insane where they are treated. I should like to know what happens to them. Are they returned for trial and sentenced? It seems to me there is a great grey area in this respect. These are points which have been bothering me and which I felt I should bring to the attention of the minister because the follow-ups may be inadequate.

The Assistant Deputy Chairman: Shall vote 1 carry?

Mr. Pennell: Mr. Chairman, at this time I might deal with some of the points which have been raised by the hon. member for Winnipeg North and the hon. member for Simcoe East. The hon. member for Winnipeg North always bores in strongly upon the minister, but I do not take exception because I know he has a genuine interest in the field of reformation and penal reform.

• (4:40 p.m.)

Mr. Diefenbaker: Mr. Chairman, would the minister allow a few more representations before he speaks?

Mr. Pennell: Yes.

Mr. Diefenbaker: It would save time going over these matters again. The minister is going to cover the entire picture and there are a number of matters I wish to bring to his attention briefly.

Mr. Pennell: I would be pleased to yield the floor, Mr. Chairman.

Mr. Diefenbaker: I do not wish to delay the minister's reply, but possibly some of the questions I shall raise will enable the minister to answer at one and the same time. I shall deal with matters that are of immediate importance. The first has to do with the granting of the Queen's mercy on her visit to Canada. It has been the regular course over the years that a visit of Her Majesty the Queen or her predecessor the King has been accompanied by a general reduction in prison sentences or an amnesty.

This matter has been referred to on previous occasions and the answer given by the government has been that a parole system is in effect and therefore there is no reason for a general amnesty. I have been communicated with by several prisoners serving long sentences. In each of the four cases to which I wish to refer particularly they are model prisoners. The reduction of sentence by a matter of months would not be of particular interest to them in so far as their servitude is concerned, but it would amount to a recognition of the exercise of the authority of Her Majesty the Queen in a prerogative way and it would give new hope to these prisoners and thousands of others who are today incarcerated in our penitentiaries.

Few Canadians realize the degree to which crime has been expanding. I do not have the statistics before me but I recall that a year ago one and a half million offences of various kinds outside the field of traffic offences were committed. In respect of those offences there were some 500,000 convictions. Crime is mounting on every hand in the western world, in the United Kingdom and the United States. It is not crime in those fields where ordinarily one might expect an increase but rather it is across the board.

Everything that can possibly be done should be done to give hope to those who make a false step. I hope that even now, in so far as those prisoners are concerned who are not recidivists there will be the exercise of the Queen's mercy on the occasion of her visit. This course has been followed through the years. The failure to follow it this time will leave a feeling of resentment among the prisoners in the penal institutions. I would have asked that across the board consideration be given to this matter but because of the decision already made I am restricting it to those who have not been repeaters.

I ask for this consideration because some hope must be held out to those who have not repeated. This would be of advantage. It would carry on the general tradition of the amnesty that is granted on the occasion of such visitations. It would penalize none of those who have continued their life of crime by repetition, but those who have committed their first offence would be placed in an advantageous position in that there would be particular consideration given to them for not being repeaters.

I urge the minister to give consideration to my suggestion. He does not know the feeling in the penitentiaries of our country if he does not realize that, taken all in all, there is being engendered a feeling of remonstrance that is not conducive to that order and equanimity which should prevail in our penal institutions. I therefore ask for a reconsideration of this matter. We made parole regulations and changes during our administration. We advanced the whole field of correctional punishment and correctional institutions. But the adoption of parole in no way, except as a dialectic argument, can relieve the feelings of those in our institutions.

I have mentioned the question of crime. There has been an amazing increase in this field. I believe the United Kingdom is the only nation in the western world in which any diminution in crime has been shown, and the diminution last year compared with the previous year was insignificant. Crime is expanding everywhere. We have in Canada reports of the close connection with the underworld of leaders of the Mafia and other disreputable organizations from across the line. This brings me to my second suggestion.

The time is overdue for the appointment of a royal commission on the subject of crime, its incidence and a full public revelation of the degree to which master criminals find themselves allied with one another internationally. Such an investigation has been asked for by provincial attorneys general. The previous attorney general of the Lesage administration was strongly in favour of such a royal commission. There is support for my suggestion. The responsibility for investigation into the facets of crime rests on the federal parliament.

Royal commissions are appointed for everything under the sun. A royal commission on the subject of crime would pay dividends.

Oftentimes the reports of royal commissions are treated in the same way as the report of the Carter commission. Royal commissions sit, recommend, and then there is deep discussion and consideration by governments for such a length of time that ultimately the report of the royal commission finds itself resting in the dust of some alcove used for storage purposes. A royal commission on crime could have the effect of mobilizing the thinking of people with regard to remedies and it would also bring to the attention of Canadians as a whole the serious nature of the expansion of crime. This expansion is disturbing. The parliament of the United Kingdom has gone into this matter very fully.

• (4:50 p.m.)

One of the results of that action brings me to the third point I wish to make. I think we should give serious consideration to including in the Criminal Code a provision that first offenders, except in a very few and limited line of crimes, should not be imprisoned. That is the course of modern criminology. When I was first called to the bar many years ago punishment was regarded as a necessity and as the only means to meet the problem. With the passing years we have become more civilized in our attitudes toward criminology and toward the criminal. Although only 5 per cent of my time was taken up in defence, I followed certain rules that some lawyers do not follow. If a man has a just case, poverty should not be his passport to prison and he is entitled to what is characteristic of the British bar, namely, that the poorest can pick the best counsel provided the counsel is available at the time in question. I have never known a repeater among those for whom I have acted or those whom I have prosecuted. We are in a different position in the western provinces, apart from the great cities, from any other part of Canada in that regard. There are no criminal underground organizations in the smaller places in the country.

Are we to carry on the principles of the middle ages that have come down to the 1900's and are still considered by some the appropriate courses to follow to punish criminals? No. There has been a vast change. It has been found in the United Kingdom that with the exception, as I said a moment ago, of a limited series of crimes, first offenders should not be imprisoned and as a result recidivism has been greatly reduced. That is one of my reasons for asking for a royal commission and indeed pressing for it, because we are just doodling with this problem and while we doodle there is a mounting increase in crime.

[Mr. Diefenbaker.]

This brings me to a fourth suggestion which I have pressed and which I hope will receive acceptance. After a man or woman has served a term in a penitentiary and has then lived a life free of crime for a period of five to ten years his or her record should be washed clear. When I was prime minister I received an application for a pardon. I have to be pretty general in referring to it because this man occupies a high position in our country. When he was 19 or 20 he committed an offence for which he was sent to the penitentiary. The years went by and he now occupies a position in which he does good not only for the people of our country but for humanity. Yet every time he wanted to cross the border into the United States to attend a convention he was asked whether he had ever committed a criminal offence. Honest straightforward and truthful as he was, he would say "yes" and was refused admission into the United States. I believe that men in that position deserve to have their records cleared.

I know this does not apply to any member of the house but all of us have had things happen to us in our lives as a result of which, if it had not been for good fortune or providential protection, we might have found ourselves before the courts. I know there is nobody in that position within sound of my voice but these things happen. Many people have been in the penitentiaries who have not committed any worse offences but they live to regret what they did. Punishment has been not only reformative but has been an eye-opener to them. They are doing everything they can to have their past forgotten by changing their mode of life. To hand this matter over for consideration by the committee on justice will not meet this problem. We know this is so.

The Department of Justice and the Solicitor General's department are full of experts, all of whom know this should be done. What would be finer than for the government between now and July 1—there is time for it because there would be general acceptance of such a measure—to bring in legislation to clear a person's record after a reasonable period and to do so as a centennial project for Canada? Have we none of the principles of forgiveness? Why attach a stigma forever to a person who has lived an honest life after having made one mistake?

We will have to start this on an experimental basis. I mentioned a period of from five to ten years. Some say ten years is too long, but let us try it out. We would be doing something in this parliament to elevate the hopes of

those Canadians who today walk about fearful that some time somewhere their past will be discovered. I followed that principle at the bar. On occasion I lost clients because I refused to cross-examine a witness who at one time had been convicted of a crime followed by a period of years of decent living. I was told to bring it out because it would be devastating. It may be devastating but it destroys the souls of men for no purpose. I urge the minister to bring in such legislation. Let him not follow the course of saying "we are looking into it" or "the matter is receiving consideration". This would be a very worth-while measure and has been proven to be such.

Finally, the R.C.M.P. needs no words of commendation from this house. I have known that body of men since the earliest days. I have been out in the west lately and saw the old homestead where we lived and where many mounted policemen, when they were called the Northwest Mounted Police, stayed with us as they went back and forth across the country. There are some of these oldtimers still around. I should like to see something done to assure them a reasonable retirement allowance, one not based on time spent in the force or on the lower pension rates of the past but one which would indicate to them our appreciation for what they did.

• (5:00 p.m.)

I am not going to reminisce on this occasion. Many of these men were scions of aristocratic English families who came out here to serve. When the first world war broke out they returned to serve there. There were very few adventurers, very few soldiers of fortune, but there was an identification by the members of the old Northwest Mounted Police with the hopes and aspirations of those who left their country to establish a new way of life here. I should like to see something done for them now.

I am going to say something now with which you are not going to agree, but I say it in all sincerity. Today the Royal Canadian Mounted Police are losing some of the greatness and grandeur of their past because to a growing extent they are being used as traffic officers. I do not know what it is but there is something that grates about seeing mounted policemen on duty as traffic officers. The officers and men today are just as fine, but I believe the Royal Canadian Mounted Police is losing some of that aura, that attraction that came through years of service, when we see these officers on motorcycles trying to find traffic violators. Something is taken from the record of that force.

I knew members of the force who were in the original mounted police. I think of Sam Steele and Sergeant Dorion. I think he came from the hon. gentleman's constituency just outside Quebec. This was one time when the constituency really produced something worth while. I think of Pennefather and old Sam Donaldson, one of the originals.

Mr. Herridge: And assistant commissioner Caulkin.

Mr. Diefenbaker: Yes, I could go on. There was something about these men. The spirit is there today as well. Turning them into city or town policemen to do traffic duty is not beneficial to the tradition of that force. I am wondering whether it would be possible to have another force within that force for traffic duties. I am going to deal with that on a later occasion.

When I think of what the mounted police have done in Canada I am reminded of the fact that we had no lawless west. When the Fort Bentonese came over to Her Majesty's dominion to whoop it up they came but once and then went back. I am reminded too of the mounted police corporal who met the Sioux who had massacred Custer. There were two or three colonels and a couple of hundred United States soldiers who brought the Sioux to the border where they were met by a Canadian corporal. The colonel said to the corporal, "Where are your men?" He said "I am here—I will take them." Some of them came to Prince Albert where they have lived ever since. There was an authority, a greatness about that force.

I am going to appeal to the minister because one thing he can do more than anything else is to remove these barnacles. This will give the force an opportunity to restore the greatness of the past. It will give the people of Canada an appreciation of the greatness of this force which was exemplified within the last few days by the death of a constable in Alberta.

Mr. Matheson: I do not intend to speak at length, Mr. Chairman, but I noticed that the hon. member for Parry Sound-Muskoka suggested the parole board should give reasons for refusing to grant a parole. Of course, I appreciate the difficulties that have been alluded to by the minister, but I should like to state that this is a point I have heard raised on a variety of occasions, not only by people who have something to gain but by inmates or persons who have been discharged from institutions. They have indicated to me quite earnestly that it would have helped them at a

certain stage if they had received some word of guidance rather than a categorical no, something which might have indicated in what fashion they could have redirected their own energies toward rehabilitation.

This point was made very forcefully by a group of some 16 inmates I visited recently in Joyceville with their chaplain, Mr. McDowell. I am satisfied that there are many occasions when reasons cannot be given. On the other hand, I should like to urge the minister again, as I have within the last few weeks, that this matter be re-examined to ascertain whether it might not be possible in a good many cases for the parole board to furnish a man with some kind of helpful communication when refusing parole. This communication could be studied by the inmate, by one or two of his friends, members of his family or his chaplain or his warden. There always seems to be some person interested in the genuine welfare of each inmate. This communication might well be the basis for some reorientation which would make an early re-application for parole possible.

In some instances you just cannot tell a man about circumstances in his own home which perhaps militate against the wisdom of granting parole. Perhaps the reason may be that he should not return to Hamilton or Windsor, but if he could become re-established elsewhere in Halifax or Regina serious consideration could be given to parole. I know the minister has been thinking about these matters. I dare say he is not very easy in his own mind about this situation.

I do not believe we have ever had a minister who has more earnestly informed himself about a wide variety of the personal problems of the inmates than the present minister. I think he is disturbed about the fact only one out of three prisoners applies for parole. I have asked inmates the reason for this, and I have been told that of the two thirds of inmates who apply for parole approximately only one third are granted parole. Prisoners are pretty clever people and after a while learn what is taking place in the system as a whole.

• (5:10 p.m.)

I have been told—I do not know whether the minister can substantiate this—that of the one third who are granted parole, that is to say, after only one third of the inmates have applied for parole, two thirds of the applicants are granted parole for the very minimum period, the other one third being granted parole for the maximum period.

[Mr. Matheson.]

I happen to know a number of the members of the parole board. They are personal friends of mine and some have been so for many years longer than I have been in the house. Some friendships go back to prewar years. They are good and wise Canadians, much more informed on these matters than those of us who sit in the House of Commons. Yet I believe that once a member of the parole board accepts an appointment to the board he does not feel able any longer to take the same chances, the same risks, as he did before. It appears to me that something happens to a person who becomes a member of the parole board.

This is our centennial year, a year when new emphasis and direction have been given to penitentiary work, parole work generally and to the study of crime and punishment. I therefore think it appropriate to ask the minister to give very positive leadership in the months ahead in the sense of himself taking the risk. I am wondering what would happen if the minister asked the parole board to double the rate of parole failure. That is to say, in view of what has been said here today by eminent people from all parties, would the minister go to the parole board and ask them to increase the risk of failure to double what it is at the present time because the 80 per cent rate of recidivism is not nearly good enough and we should contrive to do better?

I would agree with the hon. member for Winnipeg North that the number of Canadians who are incarcerated is way out of line with the pattern of social behaviour in Canada compared with other democratic countries such as the United Kingdom, the United States and countries in northwestern Europe. Therefore I think it would be interesting to study the effect of parole cases being sharply increased.

I think the leadership in taking this step must come from the minister, and I know that this minister is capable of giving this leadership. I was pleased to hear the minister give a categorical undertaking when he was asked by the hon. member for Vancouver East for an assurance that the government would not proceed with the building of any more maximum security institutions of the present design following the completion of the institution at Millhaven. The minister said he was pleased to give that undertaking. He said that the ten-year plan which has been referred to us is subject to review. We now have reached the half way mark, which seems to be a reasonable time to review the program in light of

experience and our anticipated needs for the next five years.

I think we in Canada can rejoice in the fact that our crime rate is immensely better than that which prevails in either the United States or the United Kingdom. Great things are being done in this field. Personally I am more heartened by the level of interest and co-operation shown among the penitentiary service, the parole board and the manpower service. Indeed, if the minister were to get to his feet and recite some of the extraordinary successes known to him and in which he has played a personal part, all of us would have something to rejoice about as we approach our confederation day.

I have the feeling, Mr. Chairman, that this minister listens to suggestions and does not consider he knows everything. He entered the portfolio with a background of proven success in his own profession in the practice of law. Among members of the bar he was respected and loved. He could easily have taken over leadership in bar circles at different stages of his career but his natural modesty is such that he prefers to listen to others—and thank God he does. Having listened to advice from members of his own party, members of the opposition parties as well as from people outside the house who have given many years of their lives to this interesting and fascinating area of prisoner rehabilitation and reform, it seems to me that the minister is actually putting that advice into application. In the months ahead I think we will hear more exciting things than he is able to tell us about today. Perhaps that is enough said for the moment.

Mr. Peters: Mr. Chairman, I was very interested in the speeches made this afternoon, particularly in the remarks about parole. I may have misunderstood the previous speaker but I understood him to say that he hoped the minister would double the percentage of paroles. It is my honest opinion that this is not possible.

I have been impressed by the fact that in Canada our parole system is such that the recidivism rate is about 10 or 11 per cent. If this rate were doubled to 20 or 22 per cent we would probably have to parole every person within the penitentiary system. If, however, the hon. member meant we should double the number of persons paroled each year, then I am completely in agreement with him. If we dispensed with parole boards and after a certain period of time automatically granted parole, I would suggest that not more than 20 to 22 per cent of those released would return.

I am not pleased with the functioning of the parole board. I believe the board totally fails to do what I should like to see it do. It is true that the parole board has been in existence for about ten years and that a number of very influential people have been members of it and have done some very good work. However, it appears to me that the board has recently been influenced by two bad cases.

I often receive letters which express the opinion that because of the nature of the offence committed and the newspaper coverage given to the case it is not in the interest of the general public to grant the prisoner parole. What are these people running for, parliament or municipal office? What do they believe their role to be? Are they engaging in a popularity contest? It is true that a mistake was made in the case of Dion; there is no question of that. But I think that the very opposite of what the hon. member for Leeds suggested is required. Paroles would have to be reduced by half regardless of the percentage which would return.

It is true that the nature of crime is changing. Sex offenders are turning their interest from little girls to little boys. But these are isolated cases, certainly not ones that can be handled by the normal penitentiary reform system. Most of our penitentiaries are not doing anything to reform prisoners.

• (5:20 p.m.)

I have visited Collin's Bay and I was impressed with the machine shop and the school set-up. But what are we training the prisoners for? For jobs that do not exist, I suggest, for jobs such as tinsmithing. Our manpower service, which was training men for this occupation, has discontinued doing so as there are no longer jobs in tinsmithing.

We are scared to train our prisoners in the electronics field. They could be employed in that field. Here may I recount something of interest. I learned from talking to the warden at St. Vincent de Paul, that the inmates are not allowed transistor radios. The inmates once had such radios and it did not take them long to transform them into a communications system that covered the whole penitentiary. The public address system of the penitentiary was able to pick up transmissions from cell to cell and corridor to corridor. The ability of the prisoners was well demonstrated; they did what they did without experience. Yet we are not training them in this field.

I understood the minister to say that more people were paroled this year than ever

before. That is true, but there are also more prisoners than ever before. The figures I have before me are for 1964. I am not an expert in the field and do not follow it closely. One finds that in 1960 2,505 prisoners were released. In 1962, after the unfortunate incident which brought about a total change in the penitentiary system, a change in ways of classifying prisoners and particularly in district board hearings and parole board hearings, that figure dropped to 1,800. By 1964 it was still only 1,852, almost 1,000 prisoners less than in 1960. Every year, however, we are probably adding 500 prisoners to the total. The percentage of those being released is much lower than previously. In some areas where these percentages have dropped action could be taken.

The National Parole Board report for 1965 shows two categories, one being those under 20 years old. In my opinion prisoners in that age group can be trained. At present they are delinquents, but the age of delinquency is increasing all the time. Ultimately anyone 35 or under will be regarded as a delinquent. The age of deliquency at one time was either 15 or 16 and under but it has now risen to 20 years.

I notice that only 15 per cent of paroles applied for were granted and that 14 per cent of those became parole violators. The parole board points out, of course, that paroles denied constituted 17 per cent and those deferred another 7 per cent. In all 24 per cent of those applying were not paroled. As I said, of those who automatically came up for parole only 15 per cent were released.

Another category of prisoner that the parole board deals with is those convicted of sex offences. In this instance the board has denied a total of 302 paroles, deferred 73 and granted 156. It is interesting to note that only 9 per cent of those applying for parole were successful. Of those, only 6 per cent became violators.

Under the category of forgery and false pretences one finds that 25 per cent of those paroled became violators. It is interesting to see that without help, except an occasional visit by the psychiatrist who works part time and sees more patients than he should, the sex offenders constitute a group in which only 6 per cent have violated their parole. Nevertheless, only 9 per cent of the applicants in that category received parole. Those interested in this field must see that steps are taken to correct what is wrong. We must not merely impose penalties.

[Mr. Peters.]

The board, in refusing paroles because certain newspapers reported a brutal case, is being silly. To illustrate what I mean, may I cite the case of Gaston Nicholas which has been discussed in this house on previous occasions. Perhaps some hon. members cannot remember him so I shall repeat some of the facts. He was a young chap of 19 who went with his wife in a canoe on the Ottawa river not far from parliament hill. Like young fellows he was very much a smart-alec. He kept jumping in and out of the canoe until finally it upset. He was a poor swimmer and his wife could not swim at all. She did not make it to shore. The police investigated the case and termed the accident an accidental drowning. I looked into that case. In common with many other accused persons, this accused had a poor lawyer who has been promoted and is now a poor judge. In fact, he must be a lousy judge because he was a lousy lawyer.

Let me go into some details that were not drawn out in court. This young fellow had a couple of trucks. He worked in the steel plant where his father had worked in Hull, went to work every day, was highly respected and seemed well off. On having one child he decided to build a house and when he went to borrow money he found that the easiest way to do so would be by taking out a life insurance policy. He went to the insurance agent to take out the policy but found that he could not borrow money on it because he was under 21. He was 19 at that time. But his wife who was 18 could borrow money on a policy and the insurance was taken out on her life.

After the authorities had made a decision about the accident the insurance company decided that mischief was involved and the young chap was eventually charged with public mischief. He was sentenced to seven years and the lousy lawyer who later became a lousy judge did not even appeal the case. The young man went to prison and served most of the seven-year sentence. Around the time he was eligible for release a riot took place at St. Vincent de Paul in which he became involved. There is a difference of opinion about this matter, but I have read the evidence while others have not. It is my opinion that he was involved on the periphery of that riot and was not the leader. The leader of the riot has talked to me on many occasions and has indicated this was so.

The young man was again charged with public mischief and this time was sentenced to 14 years. The previous minister of justice reviewed that sentence and reduced it by seven years. The point is that that young man

was transferred from St. Vincent de Paul, where he had got into further difficulty, to Kingston where he got along fairly well. In my opinion, once he had been transferred to Kingston and had got along fairly well for a period of time he should have been released. But the parole board did not think so—good heavens, no. That would not satisfy the public.

• (5:30 p.m.)

This young man is not too smart. There are many things he will never accomplish. On the other hand, the psychiatrists have indicated there are many things he will not do on the other side of the ledger. I have talked to the warden and to the classification officers. They say he is a person who becomes belligerent now and again. If the neighbour's dog were to come on his property he might kick the dog. I think this would describe some members of parliament too, but we get along fairly well.

The parole board cannot see this. They have to wait. What has happened to this man? After a while he went to work in a shop upholstering chairs. With the scraps that were left over he made himself a briefcase. Don't ask me why he did so. I could not find out. He was not going anywhere and he had nothing to put in it. But he made one out of scraps and the material he used was, of course, not his. So he was punished. The next time I heard about him he had been involved on the periphery of a sit-down strike which took place some time ago. Later I was informed he had decided to go back voluntarily into segregation and stay there until his sentence had been served when he would walk out.

If the parole board is content to allow this sort of thing it might as well jump into the lake. It did nothing to help this young lad at the time he was obviously worth helping. I remember offering to help supervise his parole and act as an adviser. My hon. friend from Skeena made a similar offer. I know he had a job waiting for him. We arranged a job with Dominion Steel who also believed he was worth helping. His mother and father were both good citizens. His mother scrubbed floors to keep the family going. But did the parole board consider these things? Good heavens, no.

If it is our intention to build more and more prisons we shall no doubt fill those prisons. But if the minister wants to do something constructive with regard to the parole board he will ensure that they pay attention to the recommendations of the classification officers and grant parole when these officers think parole has a good chance of succeeding. Six months later the chances might be far less favourable.

Gaston Nicholas is not as good a risk for parole today as he was three years ago. I think even the stupidest member of the parole board would agree with that. Eventually, of course, they will let him out. I remember talking to a man serving his sentence at St. Vincent de Paul who told me: "I am due out in three months and you may be sure I shall do nothing to jeopardize my chance of getting out because when I do I am going to kill three people." If we are supposed to be protecting society, how can such things be allowed to happen? the parole board would say, of course, "We had nothing to do with it; the man's sentence ran out."

I know the Solicitor General fairly well. I have dealt with him on a number of occasions and found him to be an exceedingly competent person as well as most humane. I plead with him to make sure that the chance of parole is given to those who meet the requirements. Consider what it costs to build jails and staff them with custodians to look after people who are shut up with little opportunity of improving their situation. Then compare this with what it costs to provide parole officers and others in sufficient numbers to supervise parole properly. There is no doubt where the advantage lies.

I realize some people will take a different attitude. A number of chiefs of police told me some time ago that I was being soft on prisoners. What they want to do is collect their pound of flesh. They would like to see the stocks reintroduced. They would like to turn back the calendar for a century despite the fact that conditions today are not in the least comparable, in my opinion, because of the greater opportunities which are now available. I know the minister agrees personally with the view expressed by the hon. member for Leeds that there is need for an increase in the use made of the parole procedure.

Gaston Nicholas will eventually get out. He may serve every day of his seven-year sentence which in my opinion he did not deserve. The man who led that riot got one day. He is now free and to the best of my knowledge he is living a most respectable life. He has got married, and the last time I saw him he told me that after spending 27 years trying to beat society he had decided to join it. This man received a sentence of one day from Judge Wagner who as attorney general of Quebec was as tough as they come.

If the parole board is to have any value at all its job must surely be to ease prisoners back into society and help them. If the chairman of the board wants to run a popularity contest, let him go to Hollywood or run for parliament or do something in a field where popularity counts. The people I am concerned about now will never vote for anyone in great numbers. There is need for a great service to be provided here and it is the responsibility of the board to give that service by helping in every way they can. If the board waits until a sentence has been served it does nothing except consent to a man's detention for a certain period of time.

As I say, Gaston Nicholas will get out eventually but had he been let out two years ago I am sure there would have been no trouble. He would have been assisted by a number of us who are interested in his case as well as by parole officers and others who are in a position to help. Now he is bitter. In my opinion he has been punished for things for which he was never really responsible and over which he did not have much control. He has returned to a place where he has separated himself voluntarily from society and as a result he appears to be a much poorer risk in terms of a return to civilian life. This is only one case which I could cite. I have referred to it a number of times on previous occasions.

I expect in the course of the coming year to make a point, if necessary, of destroying, if possible, the individuals who composed the parole board. I think I can find sufficient information in some of the instances which have come to my notice to provide the one thing they do not want, namely, publicity for the cases where they have failed. I am prepared to do this if it will bring about a complete change in the thinking of the parole board. I know some members of the board. There is one in particular for whom I have a great deal of respect. I do not know the other members of the parole board. I only know the decisions they have made.

• (5:40 p.m.)

I agree entirely with the hon. member for Parry Sound-Muskoka that if an inmate automatically comes forward for parole and is refused without reason, this does him no good. In fact it does him considerable harm. He will sit and wonder about the situation and it will not help his chances of establishing himself again in society. Not all such prisoners will be violently resentful of the board's decision but you can imagine their feelings when, after learning from their classification officers and padres that they are making good progress, they are refused parole without reason.

The percentage of those released on parole has fallen substantially since 1960. The figure is probably 20 per cent less now than in that year. This is the criterion we must consider. If we devised an automatic method of parole it would be like the procedure in the air force where, after a man has done certain things and spent a certain time in the service, he becomes an A.C.1 without trying, then an A.C. 2 without trying and after a further period of time an L.A.C. without trying. In the services this has worked fairly well. Some people became corporals under that system and one such corporal even tried to run the world.

Let us not say we have a modern parole system. We do not. The people on the parole board are terrified of making a mistake but the kind of mistakes they make could happen anywhere. Today I got a telephone call from my son telling me of an accident in Alberta over the week end in which a mounted policeman was shot. A man was causing a disturbance. The policeman got out of his car at the spot and immediately was shot in the head with a 22 rifle. Did he have any way of knowing that the man was going to shoot him? Have we any way of telling that a man would commit that kind of crime?

Improvements have been made. Let us not sell short the former minister of justice who upgraded classification officers and other officials in the penitentiary service. Let us not sell short the commissioner of the penitentiary service who is trying to achieve an ideal situation, leaving aside for a minute the question of buildings and physical facilities. His qualification officers are able to evaluate prisoners much more efficiently than the average Joe on the street is evaluated in normal, everyday life.

I do not think the person who shot the policeman had a record or a history of insanity. But I point out that in our prisons the wardens very often can tell which prisoners will return to jail and how soon they will return. They have a fairly good record of evaluation, but above them is the parole board with greater powers. In my opinion this board is not carrying out the provisions of the Parole Act as I know them. It is not providing the proper supervision for people released into society. In effect it tells the worst offenders: We are not going to help you at all; when your time comes up you will be thrown out on the street without any kind of supervision or help.

A few minutes ago the Leader of the Opposition spoke about the Queen's prerogative, whatever that may be. I plead ignorance but I do say that if all the prisoners in our penitentiaries were let out a third of them would ask to be readmitted immediately because they have become so used to institutional care that they do not want to take a chance on life outside prison. They are the type who throw rocks through windows the first time they get into difficulty and are happy to return to prison. One of the films recently shown under the auspices of the minister dealt with this type of individual.

The parole board should provide as much supervision as possible for parolees. When it refuses supervision, as it did in the case I have cited, it fails in its job and is negligent in its duty.

Mr. Roxburgh: Mr. Chairman, I would like to deal with a matter about which I spoke a year ago, on February 9, 1966, to be exact, when I introduced a notice of motion dealing with recompense for innocent people wrongly accused. As is the fate with most notices of motion it was talked out. However, at the time I said that as long as I remained a member of parliament I would do my utmost to have injustice rectified in respect of this matter. I believe this must be done and I am speaking again today in an endeavour to correct what is a dreadful injustice.

• (5:50 p.m.)

It is absolutely unbelievable, and indeed deplorable, that our laws permit innocent people to be convicted who are later proven innocent and then released with no compensation of any kind. It is very hard to believe that innocent people can be kept in jail for weeks, months and, yes, even years, and then at the duration of their term, or at some period during their sentence, when they are proved to be completely innocent of the crime with which they were charged, be told by the courts of Canada: We are sorry for our mistake; you are now free to return to your old job if it is there or if your former employer will have you. You will have to work that much harder to try to make up your lost finances, your lost prestige, and your lost health, mental and otherwise, all because of our mistake—the mistake of the courts of Canada.

I ask, Mr. Chairman: Do laws which permit this type of thing to happen seem to belong to Canada? I am sure we all realize, despite the precautions taken by the public authorities, that it is unavoidable that some innocent individual may unjustly become the object of criminal prosecution and thereby suffer loss. We realize that these things are bound to happen. However, the very existence of this risk implies that the public treasury should bear the responsibility for any such loss imposed by the machinery of the law.

Today, when our country is attempting to safeguard its citizens against losses caused by disease, disability, unemployment and many other misfortunes, it certainly goes without saying that the state should be liable for damages consequent upon wrongful accusation of a crime. It certainly would be manifestly inconsistent with the system of law if the state, which guarantees the individual against so many circumstances, should be excused from repairing the damage done by its own servants in the prosecution of wrongly accused persons. It is most unfair that a wrongly accused person should have to bear this loss. The prosecution should be brought at public risk and not at the risk of an innocent party.

It seems more reasonable that the loss should be borne by society than by the innocent person who has been accused. Apart from the matter of financial recompense, an award of compensation might do much toward rehabilitating the accused and freeing him from any suspicion which otherwise might rest upon him despite the acquittal or the dropping of the charges. It might also help in preventing the prosecution of innocent persons, because it is argued that provision for such liability compensation should lead to increased caution and in the long run to a decrease in the total damage.

There are many cases to which I might refer in order to illustrate my point. I shall mention, however, only one, the famous Canadian case of the kidnapping of John Labatt III some 30 years ago. The accused was sentenced to a term of 15 years. He was not the kidnapper. At the end of two years the man who actually did the kidnapping gave himself up. The kidnapper received a 12-year sentence. The original accused was given his freedom and went on his way to attempt to gain back what he had lost in society without having received any compensation from the government.

Many countries in the world award compensation to wrongly accused persons. In the period from 1886 to 1889 legislation of this kind was introduced in Norway, Sweden and Denmark. It was introduced in the United States of America in 1938. In addition, many

states within the union also have their own legislation to deal with such cases. These states include California, North and South Dakota, Illinois, New York and so on. Great Britain has paid compensation as far back as 1896.

I spoke on this subject a year ago and therefore I know the arguments which are made by the department. I fully realize that the officials of the Department of the Solicitor General and the Department of Justice will say that although the federal government has full jurisdiction over the Criminal Code the administration of criminal law is, nevertheless, in the hands of the provinces. So they will say: Why should the federal government pay for mistakes made by servants of the provinces? This, like the laws governing air and water pollution, highways and so on, is just another illustration of the great diversity in respect of jurisdiction under a federal system. The time has come, however, when this business of passing the responsibility from the federal authority to the provincial authority and from the provincial authority to the federal authority must stop, especially when we are dealing with the matter of compensation to innocent people.

The federal government can at least show its interest, sympathy and understanding by taking the lead in compensating innocent people who have been convicted in cases where the federal government has the sole right of jurisdiction, for example, in cases of counterfeiting, excise tax and income tax evasion, narcotics, and so on. This at least would be a start. Although the administration of the criminal laws comes under the jurisdiction of the provincial governments, I suggest that the federal government could give leadership by enacting legislation to make it possible for the federal government to pay say 50 per cent of the cost of compensation to innocent persons who have been convicted, provided the provinces do likewise. I feel very sure that if such a step should be taken no province which has a feeling for justice could refuse to take part in such a program.

I have a motion which has just been placed on the order paper, reading as follows:

That, in the opinion of this house, the government should consider the advisability of introducing legislation to pay 50 per cent of the expenditures incurred by a province carrying out a system of indemnification which provides that where an accused person is eventually found not guilty, he may be paid his costs and expenses, and such compensation as a judge, in his discretion, may decide to be fit and proper in the circumstances.

[Mr. Roxburgh.]

I certainly hope that this motion will receive the support not only of the government but of every party in this house. I hope also that the government will see that this motion receives the priority it deserves. In this our centennial year we are doing a great deal. We are confronted with the Far East situation and the world situation, but here we have something which is right at home. If ever there was an injustice, it is right here in our own country where innocent people are not being properly dealt with. If the federal government were to take action in this regard it would be another of their "do good" jobs in this year of our centennial. It would be a good step to take.

In respect of the provision of compensation with regard to cases which come under the jurisdiction of the federal government and for which, therefore, the federal government is fully responsible, I would suggest that perhaps a fund could be established which would be administered by a board. I therefore ask the federal government, which is fully responsible in this matter, to set up a fund with a board to administer claims. This is only a suggestion. It may not be what some people believe should be done but something should be done in this regard. Canada just cannot allow this injustice to continue. I believe it is up to the federal government to take the initial step, not a faltering step but a strong one, so that working with the provinces we may do something to alleviate this terrible injustice.

• (6:00 p.m.)

I ask the minister to tell us when he sums up at the end of this debate whether he supports the idea of doing something for innocent persons convicted under federal jurisdiction. I should like a yes or no answer to that question. I ask the minister to work with the Minister of Justice in giving a lead to the provincial governments in order to bring about a better understanding of this matter and so the two levels of government may work together to alleviate this injustice.

The Chairman: Order. I must advise the hon. member that it is six o'clock. In order that the house may proceed to the consideration of private members' business, I do now leave the chair.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to provisional standing order 39A, to

inform the house that the questions to be considered at the time of adjournment tonight are as follows: The hon. member for Lotbinière (Mr. Choquette), Les États Généraux du Canada français—attendance at; the hon. member for Winnipeg North Centre (Mr. Knowles), Canada Labour (Safety) Code—proclamation of provisions; the hon. member for Kootenay West (Mr. Herridge), Water Resources—suggested study by engineering body.

DRUGS

MEASURE RESPECTING OBSERVATION AND TREATMENT OF DRUG ADDICTS

Mr. Jim McNulty (Lincoln): Mr. Speaker, the motion I am about to put has been discussed with the house leaders of all parties. By unanimous consent I move, seconded by the hon member for Chambly-Rouville (Mr. Pilon):

That the order for the second reading of Bill C-96, an act respecting observation and treatment of drug addicts, being order No. 90 under the heading "Public Bills" on today's order paper, be discharged and that the subject matter of the said bill be referred to the standing committee on justice and legal affairs.

Motion agreed to.

Mr. Deputy Speaker: The house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

ST. LAWRENCE WATERWAY SYSTEM

SUGGESTED HOUSE COMMITTEE TO INVESTIGATE DEBT STRUCTURE, ADEQUACY OF TOLLS CHARGED, ETC.

Mr. Thomas M. Bell (Saint John-Albert) moved:

That the government should direct immediately that a committee of this house investigate generally the whole St. Lawrence waterway system, covering the area from the gulf of St. Lawrence to the head of the great lakes, and in particular to examine (a) the present debt structure of the St. Lawrence seaway authority and the adequacy of the tolls charged under the terms of the St. Lawrence Seaway Authority Act including the question whether there have been breaches of the said act in the method of fixing such tolls (b) the water levels of the entire system, including the effect of shipping in the port of Montreal (c) the serious navigational accidents in the St. Lawrence river and the changes in insurance rates (d) the danger of flooding in the St. Lawrence region and the relation of ice-breaking thereto (e) the effects, economic and otherwise, of the present or any projected development of the St. Lawrence waterway system as tending to destroy the transportation contribution role of the Atlantic provinces to the unity of confederation; and to make recommendations thereon and to report from time to time.

He said: Sir, addressing you in your capacity as Mr. Deputy Speaker, my first words would be to thank you very much for reading my motion in those careful, well modulated tones that signify you come from the Atlantic provinces. I know that in so doing you and I will have invoked the sympathy of all members of the house for this resolution. Before beginning my brief introductory remarks I wish to say I regret to some extent that this motion concerning the St. Lawrence waterway system is coming before the house at this time. It has moved very quickly on the order paper. I notice that the hon. members from Halifax, for example, are not here. I am sure they would wish to associate themselves with this motion and it is regrettable that they are absent today.

One should place on the record the reason for their unfortunate absence. They are attending the naval review. As everyone knows, this will probably be our last naval review because the government has wiped out the navy; therefore we would all want these hon. members to be present on that occasion. However, I am fortified by the knowledge that I am to be joined in my motion by the hon. member for Colchester-Hants (Mr. Kennedy) who, while he does not speak very often in this house, speaks with great authority and responsibility. I think the hon. member for seconding this motion and indicating that he might back me up with a few words.

Having said that the timing of the introduction of this motion is unfortunate in that some hon. members are away from the house, I also regret that the time of the year is not conducive to the best press relations that might flow from my motion. We in the maritimes like this type of motion to be debated in the fall when we are looking for port business and when efforts are made by upper Canadians to keep the St. Lawrence open during the winter.

• (6:10 p.m.)

Having given the reasons for my regret at the timing of the debate on the motion, I add that one or two matters do make the motion topical at this time. I read in the Montreal *Star* of Saturday, June 17, just over a week ago, the announcement in flaming headlines that a $50 million program is to be introduced to improve the St. Lawrence. I do not know where this came from. It contains many items, and I suppose if I asked the Minister of Transport (Mr. Pickersgill) he would have some way of explaining the different items. This gives me a chance to ask where we are going. I will remind the house that only a few

months ago the Canadian press uncovered a secret plan which would ensure winter access to Montreal through the St. Lawrence. To be fair, the minister brushed off in the house questions concerning it. However, all this make us in the maritimes wonder just where we are going with respect to the whole St. Lawrence waterway system in view of the fact that, according to my calculations, the expenditures now total $1 billion.

I have referred to this matter many times before. It has been brought up in the house in private members' resolutions such as this. I prepared a brief for the Atlantic Development Board and, along with other hon. members, have asked questions about this matter from time to time. This motion is an effort to be positive. In it we recognize a certain amount of progress. The situation in the port of Saint John and in the port of Halifax is desperate. It is true that we are now in the summer season. Our unemployment figures are higher than before. There is no construction work. I hope the house will take this as a serious plea for attention. I do not see how anyone can stand up and speak against what I am asking for in this motion. I am only requesting that the matter be referred to a committee.

I have dealt with five points. The first is to examine in committee the present debt structure of the St. Lawrence Seaway Authority and the adequacy of the tolls. We have been over this matter before. The minister indicated that it might have been considered in committee during the past year. New toll arrangements were worked out with the United States government and were announced in the house in the proper way, but the whole matter of the inadequacy of tolls deserves some attention. The minister himself has admitted many times that there is authority under the act and even an obligation to recover from shippers as far as possible all the costs of operation of the seaway, as in other forms of transport. We all know that Mr. Henderson, the Auditor General, has commented many times on the inadequacy of our method of collecting tolls and discharging the responsibility which parliament has under the St. Lawrence Seaway Authority Act. I quote the Auditor General's words in his 1966 report at page 175:

> The extent by which revenues again fell short of meeting operating expenses, interest charges and provision for replacement of machinery and equipment in the Montreal-Lake Ontario section of the seaway is shown in the following summary—

I do not think the summary need be put on the record.

> —of the operating results for the year compared with the preceding year together with the cumulative operating results from the opening of the seaway in 1950. It should be noted that the figures include no provision for repayment of the capital indebtedness of $326,700,000 in respect of the Montreal-Lake Ontario section which the St. Lawrence Seaway Authority Act requires to be paid out of earnings by December 31, 2009. If this obligation is to be met, revenues over the 44 years from 1966 to 2009 must average over $22 million annually on the basis of 1965 costs. The revenues for 1965 were $6 million short of meeting this requirement.

Then he went on to say:

> Revenues on the Montreal-Lake Ontario section for the seven full navigation seasons the section has been open have amounted to $74 million compared to the $95 million which the tolls committees in 1958 anticipated would be earned during that period.

I want a full investigation by the committee of the ridiculous method of financing which we are using with respect to the St. Lawrence seaway tolls. If changes are necessary, let us make them in the proper way as intended by parliament.

Second, I want to know about the water levels of the entire system including the effect of shipping in the port of Montreal. Water is low and this is a hazard to navigation. What is the sense of continuing to spend money without knowing for sure what the water levels are going to be in the port of Montreal? They are down drastically which means that the big cargo ships cannot enter the port and we may be spending a lot of money for nothing.

The third point concerns the serious navigational accidents on the St. Lawrence. The minister keeps saying the matter is under consideration and the former acting minister of transport, who is now the Registrar General (Mr. Turner), has held meetings once or twice to try to deal with this problem. We have had our share of accidents. What is the reason for them? Perhaps the pilots are not as capable as they should be. If these problems are insurmountable, let us use the ports of Halifax and Saint John which have the proper facilities and good, experienced pilots who can do the job.

The fourth point deals with flooding in the St. Lawrence region. Every year that ice is broken the excuse is used that it is done to prevent flooding. If water levels are so low, how can flooding occur? When the ships break the ice in the fall we are told that it is done because of flooding, but the flooding does not start until the spring. It is all a

mystery to me and I should like it to be cleared up in a plain and simple fashion in the committee.

Lastly I would like to know the effects, economic and otherwise, of the present or any projected development of the St. Lawrence waterway system with relation to the promises that were made to the maritimes at the time of confederation. I have spoken about this before and I will not go over it now. All hon. members know that when the maritimes entered confederation—perhaps this is an appropriate year in which to consider this matter—promises were made that the ports of Halifax and Saint John would be used as the access ports to Canada.

A review was prepared by the Atlantic Development Board which suggested that $3 million should be paid in compensation. We have heard no more about it. The consultants' report on transportation in the maritimes has just been released but very little mention of the ports of Halifax and Saint John is made in it. The reason given for the fact that nothing is being done to help the ports of Halifax and Saint John is that it would be detrimental to the business which has been built up on the St. Lawrence. The whole purpose of the report has been lost. Consideration is being given now to the St. Lawrence instead of to the ports of Halifax and Saint John.

We want these problems recognized and we think a committee should be set up the same as is done every year in the United States. There have been no hearings on the St. Lawrence waterway system. I think this is owing to parliament and we have a duty to see that it is done. I ask that these willy-nilly $50 million expenditures be stopped. Legislation for the establishment of the seaway system was unanimously passed by parliament but so far as I am concerned it has been a $1 billion financial failure. Surely all hon. members will support me in this request.

• (6:20 p.m.)

I appreciate that there will be others who will want to participate in this debate, and I will listen to them. But, Mr. Speaker, being as fair-minded as possible, I do not understand how anybody can stand up in this house and oppose the very reasonable request for this committee which will give us the answers to these problems and help to justify this great undertaking to the Canadian people which, so far as I am concerned, is a billion dollar fiasco.

[*Translation*]

Mr. Georges C. Lachance (Lafontaine): Mr. Speaker, we readily understand the reasons which prompted the hon. member for Saint John-Albert (Mr. Bell) to introduce this notice of motion to the house, and I believe that we should congratulate him, because the problem is very important and serious for the Atlantic region as well as for navigation on the whole St. Lawrence river, in the seaway and on the great lakes.

However, it must not be felt, as might be deducted from the observations of the hon. member for Saint John-Albert that, for this reason, the waterway system should be neglected, the requirements of progress be ignored or the use of shipping on the great St. Lawrence waterway be reduced, only to look after the Atlantic ports, for instance those of Saint John and Halifax. These are two specific problems requiring different solutions and, in the light of the figures and the studies that have been made, I think, Mr. Speaker, there is no reason to neglect one in favour of the other.

I have studied carefully the motion introduced by the hon. member for Saint John-Albert. He deals particularly with the financial structure of the St. Lawrence seaway authority, its debts and the adequacy or inadequacy of its tolls. He raises the question of water levels of the entire system, including the effect of shipping in the port of Montreal in particular. Furthermore, he suggests that an investigation be made on accidents and changes in insurance rates. In his opinion, the danger of flooding in the St. Lawrence region—he should have added also the danger of flooding in the port of Montreal—and its relation to ice-breaking should also be studied, as well as the economic effects of the development of the St. Lawrence seaway as tending to destroy the transportation role of the Atlantic provinces in the unity of confederation.

At the end, the hon. member adds a constitutional and political element to some very technical problems. As I said at the beginning, there is no reason why one of the problems should be neglected. These are two absolutely essential problems, neither of which should be neglected or overshadowed by the other. In my opinion the trend is irreversible and since the St. Lawrence seaway is becoming increasingly important, I do not see why steps could not be taken to help the ports of Halifax and Saint John and other ports in this region of the Atlantic provinces and to compensate for whatever losses may be incurred. There are

undoubtedly losses in money and working hours, but unfortunately we can only take note thereof.

Not later than today, I read a press release dated May 15, 1964 on the effects of winter navigation on the St. Lawrence river and in the gulf of St. Lawrence on the Atlantic ports. Mr. MacKeigan, chairman of the Atlantic Development Board, said:

> The Atlantic Development Board has been entrusted with investigating the impact of winter navigation on the St. Lawrence river and in the gulf of St. Lawrence on Atlantic ports. That study was made by J. Kates and Associates and Gibbs, Underwood and McLellan; it was completed, as far as certain aspects are concerned, by the board's staff.

This report tells us in black and white that the ports of Saint John and Halifax have suffered, as a result of winter navigation on the St. Lawrence river, significant financial losses estimated, in 1963, I think, at 200,000 tons of freight corresponding to approximately $3 million in direct revenues for the ports and a loss of seasonal employment of about 3,600 men-months.

It is a very great loss. It is—as stated by the hon. member for Saint John-Albert (Mr. Bell) who spoke before me—a catastrophic situation. And, unless I am mistaken, that loss is increasing and would be due mainly to the fact that winter navigation on the St. Lawrence river is increasing. I do not believe, however, that the hon. member for Saint John-Albert can find statistics which enable us to believe that winter navigation has increased in the St. Lawrence seaway. As a matter of fact, everyone knows that during that period the seaway is closed for an average of two months. That is why I feel it would be advisable to put aside that matter of the repercussions of winter navigation on the St. Lawrence river and in the gulf of St. Lawrence, as far as the St. Lawrence seaway is concerned.

Mr. Speaker, I shall return to the seaway problem later on. With regard to winter navigation, up to now, ice-breakers, according to my information, have only protected the water level, especially by preventing ice jams and floods and not facilitated navigation directly. Of course, breaking up ice-jams and making a channel to let the ice flow more freely indirectly facilitates navigation on the St. Lawrence up to Montreal, although that navigation is rather limited in winter, specially in January and February.

As I have said before, the movement is irreversible. I cannot see very well how a

gate at the entrance of the gulf of St. Lawrence could be put up to prevent ships from going up the river to Montreal.

It seems to me that the two questions should be taken up separately, first, to see whether or not navigation facilities should be increased on the St. Lawrence and how this could be done depending on circumstances, and secondly what steps could be taken to make up for the losses in income incurred by the Atlantic provinces because of this state of affairs, that cannot be altered.

• (6:30 p.m.)

Now, Mr. Speaker, as I said before, a thorough survey has been made of the effects of river navigation on the Atlantic ports. I do not know whether a house committee would find other solutions or reach other conclusions, but perhaps recommendations could be made to the house. The government should certainly consider such recommendations seriously in order to take the necessary steps to solve those problems.

Now if we take the various items mentioned by the hon. member for Saint John-Albert in his notice of motion, we note that the first item deals with:

> —the present debt structure of the St. Lawrence seaway authority and the adequacy of the tolls charged under the terms of the St. Lawrence Seaway Authority Act including the question whether there have been breaches of the said act in the method of fixing such tolls.

Mr. Speaker, I think that hon. members are perfectly aware that some public hearings were held in Ottawa in 1966, I believe, concerning the review of the tolls on the seaway. The United States seaway authority also held similar meetings in Chicago around the same date.

On June 30, the seaway authority submitted to the government its report on tolls. We know that the government did not see fit to increase them, which is questionable perhaps, Mr. Speaker, since it is a field related to economics or the financial structure. Unfortunately, I am no expert in either field, but I must say that I have never felt that those great waterways, those great works were designed to yield a profit to the country. In my opinion, those are public services that should be self-supporting as far as possible, at least as far as their administration is concerned. And I suggest that a serious study should be carried out in this field.

As for the amortization of the cost of developing the seaway, I have still greater doubts about the possibility that we may derive from

tolls, which are the main source of income of the seaway, enough money to pay the cost of that development.

There are members of the House of Commons who had the opportunity to take an active part in the development of that gigantic joint undertaking, although it was mainly Canadian, and as far as I could ascertain from these people, it was never envisaged that this undertaking should rapidly pay the cost of construction thereof out of its income.

However, I think that we should try to get, as much as possible, an adequate revenue to meet the normal administration expenses of that agency. Government agencies which cannot make ends meet are not an exception, and considering the scope of the project, which cost almost $1 billion, I would not say that the annual deficits shown by that undertaking seem disgraceful. I do not want to mention any agency in particular but I do not know of any which shows a profit or which even makes ends meet.

Mr. Speaker, I shall not labour the subject of navigation accidents and insurance rates. It is a fact that if aids to navigation are not adequate for winter navigation, on the St. Lawrence river, risks of accident are greater.

A decision will have to be made some day whether or not to mark out the channel with buoys, to take security measures on the river so as to make year around navigation possible. Obviously, without buoys, without beacons in winter time, in fact without the whole regular security system, accidents will multiply as navigation increases and insurance rates will go up too.

Now, I should like to come back to the flood hazard in the St. Lawrence area and its connection with icebreakers.

Mr. Speaker, there is no doubt that, in Montreal, the water level problem is of immediate interest. On the other hand, we must admit that nature has provided all kinds of ways to lower the water level: temperature, precipitation, evaporation. Those are the natural factors which affect the water level. Human factors are also involved, such as consumption and deviation for the normal needs of the population, the economy and business firms.

• (6:40 p.m.)

In my opinion, Mr. Speaker, scientific methods should be used to forecast atmospheric conditions more accurately, so that we might take the necessary steps to conserve water.

The government should give particular consideration to these problems, because of the increasing traffic on our waterways. Traffic on the St. Lawrence is creating many problems.

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but the time allotted to him has expired.

[*English*]

Mr. C. F. Kennedy (Colchester-Hants): Mr. Speaker, I am motivated to enter this debate by the excellent and reasonable wording of the notice of motion which has been put forward by the hon. member for Saint John-Albert (Mr. Bell). The hon. member made a reasonable appeal to the house for the government to give consideration to setting up a committee to study the matter outlined in the resolution.

Basically the resolution covers something that has plagued us in the Atlantic provinces for 100 years, since confederation, the matter of transportation. We recall vividly, particularly during this year, that one inducement held out to our people to join with other parts of the country was the undertaking that coast to coast rail transport facilities would be completed. Those facilities were completed, and that part of the obligation was fulfilled.

Over the years much has been done to eliminate the disadvantages of distance. Confederation perhaps eliminated our trading with other portions of the world, such as the West Indies, which we could reach with water transport. Modern technology has made transportation more efficient, though nothing has shortened distances. Travel time has been shortened, but cost, which is another element of transportation, has not been reduced. We are still in an awkward position in trading with the rest of Canada.

Since confederation many small factories in the Atlantic provinces have been bought by larger interests in central Canada, and our problem is that we have had to import manufactured goods from central Canada over long distances of rail lines. The products which we harvested from the sea and the forest, the raw products or semi-manufactured goods, also had to be transported vast distances to our favoured market of central Canada.

Goods manufactured in central Canada are sold all over the country. Cameras, for example, carry the same retail tag in all parts of the country. Yet when one buys an automobile in the Atlantic provinces he has to pay between $150 to $200 extra for freight

charges. If cameras can be marketed at common retail prices in all parts of the country, automobiles also ought to be so marketed. Such marketing policy would help greatly our people in the far flung parts of the country. The cost would not amount to much and could be charged to those in central Canada.

I do not think anyone in the Atlantic provinces regrets the building of the St. Lawrence seaway complex of transportation, and recognizes it as a forward step to open up all the country. Without doubt it has been of great benefit to all parts of Canada, and it has been of some help to the Atlantic region. However, we in the Atlantic provinces have always been afraid of unemployment, and of losing during the winter months part of our transport business. Whether modern technology can open the seaway without additional cost to the country, I do not know. I doubt it. If that can be done, the costs involved should be borne by the carriers themselves. If they wish to pay the additional cost of breaking through the St. Lawrence ice, rather than tying up at a deep sea port and paying for the additional rail freight, that would be all right with us. We have developed the maxim that we live and that we will let the rest of the country live; and we expect the rest of the country to feel that way about us. We do not wish to impede general progress. When the rivers are closed for navigation any ships that wish to run the risk of entering closed waters should be prepared to pay for the costs of any assistance they might request if they become trapped during the winter. Even where flood control programs are inaugurated, with resultant benefits to ships, the ships using the waters in question should be obligated to pay toward the program, where it is felt that it is more beneficial to bring cargoes toward central Canada than to unload them at a deep sea port.

I do not come from a deep sea port city, but I know something of the railway system which serves such ports. The economy of our area has a great lift in the winter when heavy goods move from central Canada to our ports. Of course the stockpiling at those ports all the year round of goods to be shipped by sea also is good for us.

I will not labour my remarks. This notice of motion has merit. The economic structure of the seaway development should be carefully reviewed; we must make certain that it is amortized in such a way that those who use it will pay for it. It must not become a burden on the whole country. It must not be a charge on those who, through further development of the seaway, would be deprived of their traditional rights to employment and a decent livelihood.

• (6:50 p.m.)

Like the hon. member for Saint John-Albert (Mr. Bell), I commend this notice of motion to the house and hope that someone on the government side in the few minutes remaining to us will rise and accept our suggestion that this matter be placed before a committee, where experts can be called and all reasonable people could give their views and discuss the matter in the way in which maritimers discuss all their problems.

Mr. D. R. Tolmie (Welland): Mr. Speaker, as the member representing the Welland riding, and as one residing in Welland on the Welland canal, which is part of the seaway, I am naturally keenly interested in this motion.

I have a certain special knowledge concerning the St. Lawrence seaway authority. Let me say first that I am opposed to the idea that a parliamentary committee be formed to investigate the seaway authority, its policies and its operations. I am very much opposed to this for various reasons. In principle, I believe it would be wrong to do so; we would be setting a highly dangerous precedent if we were to set up special committees to investigate and probe into properly constituted independent bodies set up by the government so as to be free from political influence and able to conduct the nation's business with complete objectivity, divorced from both the direct and the indirect pressures of partisan politics.

This does not mean of course that the seaway authority, or any crown corporation, is a law unto itself, responsible to no higher authority. However, there are built in safeguards against irresponsible behaviour. The government knows full well that the courses of action followed by any such agencies will reflect on the image and reputation of the government itself. In consequence, any government is going to take exceptional care to ensure that those appointed to these boards are people of the highest calibre in terms of ability, integrity and common sense.

It must be remembered, too, that public opinion is still a strong factor in this country. It is very salutary for public bodies to realize that their actions are not beyond reproach, and that they are still answerable to the most powerful authority of all—an aroused, articulate and critical chorus of well directed public

opinion. An added factor with regard to the supervision of this particular authority is of course the existence of machinery by which the type of investigation envisaged in this motion could, if necessary, be carried out. I refer to the transport committee. There is no need to strike another committee; it would be completely redundant. I would remind hon. members also that in addition we have the undoubted right to delve into the structure, conduct and general policies of the authority in question during our consideration of the estimates of the Department of Transport.

There is a further point which should be taken into consideration. Even if the proposal to set up a special committee were acceptable, there are so many standing committees and special committees already in existence that the striking of any more would tax the resources of members, staff and facilities beyond our ability to cope with the situation. Moreover, our committees do not have available to them the trained personnel and research facilities they need in order to carry out a task such as the mover of this motion envisages.

As I indicated in my initial remarks, the concept of conducting parliamentary investigation into the operations of government-appointed boards, in the course of a general fishing expedition and in the absence of specific allegations of misconduct or inefficiency, is most dangerous. It would destroy the entire principle of setting up boards to conduct national business objectively in the interests of the entire nation without fear of regional pressure groups exerting veiled influence on the members of the boards concerned.

If we were to begin an investigation into the St. Lawrence seaway authority in the absence of any specific allegation or terms of reference, where would we stop? Would it not be logical, whenever a member felt strongly enough about a subject, to set up a parliamentary committee on the basis of an impression that a particular region was suffering—to investigate for example the Canadian National Railways, the Polymer Corporation, the Crown Assets Disposal Corporation, Air Canada or any other independently functioning government body?

Mr. Bell (Saint John-Albert): Would the hon. member not agree that when revenues are nearly $100 million short of expectations some sort of examination by somebody in parliament is warranted?

Mr. Tolmie: I would preface my answer by saying I can understand the concern of the hon. member in relation to his own interest in the Atlantic region. My point is that if the question of the debt structure is sufficiently important it can very well be investigated by means already at our disposal. There is no need to set up a new committee.

Assuming for a moment that there is no objection in principle to the formation of such a committee as is proposed by the hon. member, what justification is there for investigating the operations of the seaway and the entire concept of this international waterway? Is there any reason to believe that the authority is not conducting its business with efficiency and imagination? As to the members of the authority themselves, may I say that through my dealings with them in connection with the Welland canal by-pass I state without hesitation that they are men of the highest integrity, that they have discharged their heavy responsibilities well and that they work well in the community. As far as I am concerned, the composition of the board is excellent.

In my area, it seems that the authority is confronted with a conflict of interest. Its prime concern is to ensure that ships get through the canal as safely and as fast as possible. But communities such as Port Colborne and Welland, which straddle the canal, are plagued by traffic congestion brought about by the raising of bridges across the waterway. Bridges are continually being raised, resulting in tremendous traffic repercussions. Naturally the authority is under constant pressure to regulate its traffic so as to prevent, or at least minimize, the impact on the area. They have done so to the best of their ability, without failing to achieve their ultimate goal, that is, to get ships through the canal.

The Acting Speaker (Mr. Tardif): Order. The hour for the consideration of private members business has now expired, and the house will now resume the business which was interrupted at six o'clock.

SUPPLY

The house in committee of supply, Mr. Tardif in the chair.

DEPARTMENT OF THE SOLICITOR GENERAL

1. Departmental administration including administrative expenses of the committee on corrections plus such fees, salaries and expenses as may be approved by Treasury Board for members and the panel of consultants and staff named by the minister to advise and assist the committee, and grants as detailed in the estimates, **$1,015,400.**

The Assistant Deputy Chairman: Order. Since it is seven o'clock the committee is suspended until eight o'clock and I do now leave the chair.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order. House again in committee of supply, estimates of the Department of the Solicitor General.

Mr. Roxburgh: Mr. Chairman, when the committee rose at six o'clock I asked the minister if he would support the idea of doing something for innocent persons convicted under federal jurisdiction, and also whether he would give his support, along with that of the Minister of Justice, toward working out something with the provinces that would do away with the present injustice.

When I spoke on my notice of motion last year a number of my colleagues in the house were in sympathy with my suggestion, but they were worried about the possibility of compensation being paid to persons through miscarriages of justice, or in certain cases to persons freed because of reasonable doubt, or someone acquitted on a new trial where a witness may have passed out of the picture. I just want to say as strongly as I can that under no circumstances whatever am I interested in such doubtful cases receiving recognition of any kind. All that I am requesting is that innocent persons—and I emphasize innocent persons; not doubtfully innocent but honestly innocent persons—who have been jailed and then found to be innocent be given some form of compensation.

Surely, Mr. Chairman, this is not asking too much in a country like ours that has advanced so far in helping people in every walk of life. Surely we can take a solid step forward in seeing to it that people who are convicted, and later proven innocent, receive some compensation to help them better themselves when they come out of prison.

Mr. Gilbert: Mr. Chairman, there are two matters I would like to bring to the attention of the Solicitor General. The first is the problem of juvenile delinquency in Canada, and the second is the expungement or destruction of criminal records.

Back in 1961 the then minister of justice appointed a committee to study the problem of juvenile delinquency. The reason he did so was the rapid increase in juvenile delinquency, and also the rapid growth in our population. Figures for 1961 show that 41 per cent of our population were 19 years of age or under, and the projection is that by 1970 this group will form at least 50 per cent of our population.

The committee worked hard for a period of four years, made an exhaustive study, and held consultations with provincial authorities on constitutional problems in order to prepare its report. That report was tabled in the house last year. Since that time no legislation has been introduced by the government. In fact there has been no action whatever.

Last April I had the opportunity to attend a conference on juvenile delinquency at lake Couchiching where 100 experts from the province of Ontario, mainly social workers, probation officers and interested laymen, studied four phases of the problem of juvenile delinquency. They studied the pre-court problem with regard to juvenile delinquency, the treatment subsequent to the judicial determination of delinquency, after care, the prevention. If there was anything I learned from that conference it was the determination of these people that action be taken in this field, and this is why I am bringing the matter to the attention of the Solicitor General.

It may be said by the Solicitor General that the legislation is not ready, but I urge on him favourable consideration of the recommendations in the committee's report which did not require any legislation. The first recommendation, as set forth at page 279 of the report is that there should be a youth and delinquency research and advisory centre set up. This type of centre would embody some of the things which are contained in this report. The recommendation is as follows:

• (8:10 p.m.)

We think that, in the beginning, a major federal government contribution could be made by the establishment, in the Department of Justice, of a youth and delinquency research and advisory centre. It should have representation from—or, at the least, liaison with—other federal departments concerned, notably the Department of National Health and Welfare and the Department of Labour. Initially the staff need not be a large one—possibly three or four informed persons. Ultimately it might expect to have a staff of ten or twelve, especially if it were to perform any useful consultative function.

The functions of the youth and delinquency research and advisory centre, as we see them, would be as follows:

(1) Research and co-ordination

(a) to serve as a clearing house on research on delinquency and the many related areas which bear upon it;

(b) to maintain liaison with provincial governments, and also to keep up with developments in other countries in the field;

(c) to serve as a "secretariat" in relation to subsequent, more detailed studies that should follow—

And so on.

(d) to provide for a biometrics function, collecting and analysing the data for a continuing epidemiological analysis of delinquency rates, types, distribution, and the like;

(e) to assist, in conjunction with provincial, municipal and perhaps private agencies, in the organizing of workshops, institutes and seminars for the purpose of improving the channels of communication—

And so on.

(f) to serve as a review committee for the processing of applications for research grants, or as a resource body for any such review committee.

The second heading is consultative and advisory functions:

(a) to develop standards, guides and instructional materials on various types of activities or services for delinquent young persons—

(b) to provide a consultation service, consisting of a small staff of experts, in relation to the various areas outlined.

This is the first recommendation of the committee. It would require no legislation.

Second, they say that demonstration projects should be set up. On this subject the report states as follows:

The federal government can make another significant contribution by discussing with provincial authorities the possibility of federal funds being allocated for a number of demonstration projects relating to various aspects of delinquency prevention and control.

The third recommendation is the staff training requirement. The report reads as follows:

Finally, the federal government can assist greatly in the establishment of a staff training program. A modest beginning would require no more than an appropriation of funds to establish workshops, institutes, and seminars.

These are the three main items in the conclusions contained in that report. These are recommendations which would require no legislation.

The conference studied the 100 recommendations with regard to the four areas which apply to juvenile delinquents. I should like to ask the Solicitor General to give his full attention to this matter so that social workers, probation officers and the other people who are concerned across the dominion can expect some action from the government with regard to this very important item.

The second matter which I should like to refer to the Solicitor General is that of the expungement of criminal records. The committee on justice and legal affairs studied the bill that was presented by the hon. member for Welland. Members of this committee heard different witnesses concerning that bill and some of its shortcomings. The hon. member for Welland should be commended for his initiative in bringing forward this bill. I heard two witnesses in particular, one of whom was Mr. Kirkpatrick, the executive secretary of the John Howard Society, and the other, Mr. George Street, chairman of the National Parole Board. If there was anything in particular I gained from their evidence it was the fact that the pardon as we know it is of little assistance in wiping out a criminal conviction. Therefore we should see that any conditional pardon that is given contains words which in effect wipe out the previous convictions. At the moment the pardon does not contain such words. It has been suggested that words indicating that the person shall be deemed not to have committed the offence should be included in any conditional pardon.

The convictions which apply today really hurt a convicted person in three areas, those of employment, bonding jobs and travel. This afternoon we heard the Leader of the Opposition set forth some of his experiences concerning this problem. I should like to ask the Solicitor General to give full consideration to the use of the pardon in wiping out criminal convictions. There appears to be a little disagreement with regard to the period of time in which this should be permitted. Some persons say the period should be five years and others say that it should be ten. I think possibly the shorter period would give more encouragement to many of the persons concerned.

Along with any change which might take place concerning expungement of records, I think the Solicitor General should consult with the provincial authorities particularly in respect of the fair employment practices act. It is very easy to have a record expunged and then have a person faced with an employment application which contains the words, "Have you ever been convicted of a previous criminal offence?" Therefore it is very necessary that the Solicitor General consult with the provincial authorities in an effort to make sure that this provision is not contained in any application form.

This afternoon the Leader of the Opposition mentioned the problem of travel to the United States. One can appreciate the problem which

arises when a person travelling from Canada to the United States is confronted with the question, "Have you ever been convicted of a criminal offence?" There is nothing we can do in respect of having the pardon contain words which would permit the person concerned to go to the United States. However, the Solicitor General and the Minister of Justice could speak to United States authorities about reciprocal legislation permitting these people to travel without any restriction. One of the things I should like the Solicitor General to do would be to take the initiative with regard to consulting with the United States authorities, to see whether it would be possible to have reciprocal legislation which would overcome this problem.

Another matter which I should like to bring to the attention of the Solicitor General is that which has to do with recidivism. Mr. Kirkpatrick stated that 44 per cent of recidivism is committed within the first six months of the release of a prisoner, that from 44 to 75 per cent is committed within the first year, and that from 75 per cent to 97 per cent is committed within the first two years. After a two year period recidivism almost passes out of the picture. This is the reason it is so important for us to grapple with and solve the problem within the first two years of the release of the prisoner.

I should like to ask the Solicitor General to comment first on the problem of juvenile delinquency and, second, to tell us what his attitude is concerning the expungement of criminal records and what recommendations he has in mind in this regard.

• (8:20 p.m.)

Mr. Patterson: Mr. Chairman, there is only one matter I should like to raise this evening one that was discussed at length this afternoon. I am speaking of the matter of parole and the activities of the National Parole Board. I am sure we all realize the task that is faced by the National Parole Board in making decisions with respect to the cases brought before them. Some of these cases are probably more difficult than others, but I suppose that even the easiest case is not too easy to deal with. They all have their own particular problems and situations, and we can sympathize with the National Parole Board in the work it is attempting to do. There is considerable talk these days about "going soft" on criminals. Other people think society is hard on criminals. However, Mr. Chairman, I shall not discuss that particular aspect of the matter at this time.

[Mr. Roxburgh.]

I wish to bring just one matter to the attention of the minister. I believe this case emphasizes the importance of considering the human element in these problems and perhaps giving the benefit of the doubt in certain cases. I have here a brief that has been built up through correspondence. It concerns the work of the Mennonite central committee, an organization that is doing very fine work in various fields of activity. This organization is working in my own constituency and has established what is called a halfway house project. The objective of the project is to rehabilitate those who have broken the law; to provide means whereby they can be rehabilitated and assist in their own rehabilitation.

The case to which I refer concerns one of the Sons of Freedom who was incarcerated in Mountain Prison at Agassiz, British Columbia. I understand that about five brothers were sentenced. The youngest of them was paroled some time ago. The Mennonite central committee, in an endeavour to assist, contacted the family of one of these men and persuaded them to leave the camp which had been established just outside Mountain Prison. The committee persuaded the family to live in the community of Yarrow, British Columbia, in a home that had been provided by them. The family was looked after by the Mennonite central committee.

Representations were then made to try to effect the parole of the husband and father of this family. For some reason or other the parole board decided against the application. This took place back in August of last year, and I understand this man is still incarcerated. I believe this is a case that should receive very careful and special consideration. Here is an organization that on its own initiative went ahead and provided facilities for this family. They felt it would help to get the family away from the main body of this particular group, the Sons of Freedom, so they persuaded them to live elsewhere and endeavoured to reunite the family and provide the man with a job and proper supervision. They were prepared to assist in his rehabilitation. As I have pointed out, the National Parole Board ruled against the application and apparently it will not be renewed until 1968.

I bring this matter to the attention of the minister because I believe organizations such as this ought to be encouraged in this type of work. I believe also that if we can bring these families together, away from the ordinary environment in which they find themselves, it will assist tremendously in rehabilitation. I

will present the minister with the name of this person and family and will outline the brief to him. I trust he will give this matter careful consideration and see whether anything can be done to assist them.

Mr. Mather: Mr. Chairman, I rise to ask a question rather than to make anything in the nature of a speech. I should like to ask the minister to consider, if he would, the reform of the bail system of Canada as proposed in my own bill, No. C-4, as well as several other places.

This bill is quite in line with legislation established last year in the United States. In brief, to quote from the explanatory notes of the proposed legislation, it would reform the present bail system in Canada as our American friends did about 12 months ago. It would effect this reform in the following way. The bill would assure that all persons, regardless of their financial status, should not needlessly be detained pending their appearance to answer charges under acts of the parliament of Canada, when detention served neither the ends of justice nor the public interest.

The measure I propose, and which I would ask the minister to consider, would permit poor people awaiting trial to be released without bond and would thus eliminate the arbitrary cruelty in the present bail system. It would permit them to be released without bond, in the absence of cash, having in mind certain other precautionary and amending steps. The present bail system requires that there shall be cash in all cases before bail can be granted.

The system of release without bail which would be established by the bill I propose would be limited to instances where the offence is not punishable by death or life imprisonment and in which the judge deems the defendent trustworthy. I would ask the minister to take into consideration the reform of the bail system in line with the general terms and principles of my proposal.

Mr. More: First of all, Mr. Chairman, I should like to congratulate the minister on the presentation of his estimates. I have found him to be deeply interested in the problems that he faces in his department, and I have also found him most co-operative in dealing with questions that are raised by constituents and presented to him. I believe the evidence presented by hon. members today in the representations that have been made to the minister indicates the feeling amongst all members of the house, that they have a sympathetic ear to which to present vigorously the problems of people who come under the jurisdiction of the legal system. Hon. members know that the minister will give his best consideration to analysing their suggestions and incorporating those which seem to offer better hope in the future.

The ministers' co-operation in regard to settling the feelings of despair, perhaps, in regard to the changing picture of the R.C.M.P. establishment, especially in my constituency, was deeply appreciated. I know that the visit he undertook during the course of a busy schedule, and on rather short notice at the time, was well worth while and he made a good contribution to better understanding. For that we owe the minister our deepest thanks.

• (8:30 p.m.)

I have listened to all the representations made today about those who run afoul of the law and are incarcerated. I shall not repeat the representations that have been made but I should like to bring to the attention of the minister one matter that bothers me. I confess that I am no expert in this field and perhaps do not know all the details I should know when bringing the matter to the minister's attention. I know it costs a great deal of money to keep a person in an institution, and sometimes when I see the small budgets of the John Howard and Elizabeth Fry societies as well as those of other agencies engaged in the work of fulfilling what seems to me to be a very pertinent and desirable service I wonder whether we should not look more deeply into the objective of rehabilitation and treatment of the inmates. It seems to me that the people who come out of prisons are virtually put out on the street and not a great deal is done to help them. Prisoners on parole often fall back into crime again. There is no doubt that often there is a great deal of co-operation being given by the families concerned to assist the parole board and other authorities. Paroles are being granted to prisoners so as to give them a fair chance to remain out of trouble and to fit them into society. There are also prisoners who serve their sentences without being paroled. It seems to me that very little is provided for them.

We all know the prejudice against anybody who has been in trouble with the law and who has served time. It is difficult for him to obtain employment and to rehabilitate himself. It costs us $3,000 or $4,000 a year to keep them in security and to try to instil in them a

desire to fit into sociéty. It seems to me ridiculous that after having expended so much money on these people no further help is provided them.

Perhaps the minister could tell me where in the estimates grants to the John Howard or Elizabeth Fry societies are provided and on what basis these grants are established. Are they established on the basis of the previous year's case load and the contributions that have been made? We all know that these societies are continually upgrading their staff. They are obtaining professional staff and, as is emphasized in their reports, their caseloads demand an increased number of professional staff. Yet sufficient funds are not provided for them. I noticed in some reports that municipalities provide amounts ranging from $25 to $100 for that purpose, but on what basis is this done? I wonder if the minister could indicate to the house what part in his view these societies are expected to play. I should like him to explain to us on what basis they are provided with part of their budget to enable them to play their part efficiently and well.

That is the only point I wish to bring up, in addition to the various representations that have been made to the minister. I am quite impressed by the recommendation that first offenders in a great many cases should not be incarcerated. I agree that Parkinson's law seems to work in all stratas of society and if we build institutions we will fill them. However, if we develop a more enlightened attitude and help former prisoners to play their part in the community, and help them to stay out of trouble, we will not need to worry about building so many institutions and thus will achieve a net gain both in money saved and in a decrease in crime.

I know that the changing times have brought about an increase in the R.C.M.P. establishment. I do not need to relate again the historic significance of the force in my area and what it means to the community. I believe it is in fact a very desirable and suitable location for the work that is done there and for the courses that are being followed. I notice the minister in his opening statement on June 6 referred to an increase in the establishment from 9,500 to 11,000. This of course means that more trainees are being admitted and more work is being done in this regard.

He also referred to a new Canadian police college, and I wonder whether he has in mind a new building or a whole new establishment. If so, will this establishment be operated as a primary training centre at Regina? I know that police courses have been held there for many years. I have been in contact with these people and I know that police forces from many countries have been drawn to that institution. I am acquainted with their methods of training, and if it is the minister's intention to enlarge the establishment, I am wholly in favour of it. In view of the mounting expenditures I do not expect a great deal of money to be provided in addition to the amounts already outlined, but I do hope priorities will be established so as to allow the opening of this college at Regina, and the continued training of the police force in its new sophisticated form so as to meet the necessary requirements.

The other matter to which I wish to refer concerns the museum at the Regina establishment. I think the minister has seen it and must realize that the quarters are not adequate. It has been a great tourist attraction. I believe the time has come when a permanent curator should be appointed and new quarters provided for the museum. This would provide considerable space for other activities of the force. I hope this matter will be given the necessary priority, and that the minister will be able to tell us that provision will be made for the museum and its exhibits in Regina city, and that priority is given for the establishment of new quarters and perhaps the appointment of a permanent curator so that this very desirable operation can be continued in the future.

Once again I want to thank the minister for his co-operation. I will listen with interest to the answers he will give to the numerous questions and representations which have been made during this debate.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I also would like first of all to express appreciation to the Solicitor General not only for the sympathetic way in which he has listened to the many representations which were made to him, but also for the interest he has shown for the new developments in Canadian penology and his desire to make still further improvements in this regard. This is why I should like to make this evening a special plea on behalf of an institution which is located in my riding and which is doing work for the entire province. I am referring to the Vancouver Halfway House, about which both the hon. member for Vancouver East and I have spoken. A little time ago we went to see the minister with regard to this project, and were very sympathetically received. The people at Halfway

House were hoping at that time that the minister would pay them a visit. My purpose tonight is to refresh the minister's memory a little bit and add some new facts to the story. I have been speaking with some of the people out there—in fact I just returned about an hour or so ago—and they are most anxious to have the minister look into this matter without delay.

• (8:40 p.m.)

This is one of those experimental projects, of which we have had quite a few in Vancouver and some of which have worked out exceedingly well. I am thinking of one which was started under the aegis of the father of the hon. member for Vancouver East, when he was a member of the legislature. At that time he conceived the idea that a good many women who were being released from mental institutions needed a place to go in order to get re-established in ordinary life. A co-operative boarding house was established where they could stay until they found jobs for themselves and became acclimatized to the outside world. This project was frowned upon by a number of people in its initial stages, but eventually became such a success that the provincial government took it over.

This Halfway House in Vancouver is in somewhat the same category. It was started in 1965 by a number of people who were convinced that there was a need for a place for people who wanted to get rid of the drug habit, a place where they could be surrounded by a home atmosphere and where they could deal with this habit under carefully controlled conditions until they were rehabilitated. These people were encouraged to get a job as soon as they were able, preferably outside Vancouver since drugs were more easily available there. Vancouver of course is one of the worst drug centres in Canada.

Since the Vancouver Halfway House was begun in 1965, almost two years ago, over 400 persons have been in residence. A large percentage of these people have at some time been charged with an offence connected with drugs. Some of them of course have come straight from Oakalla, or the penitentiary, but no one is turned away, provided they indicate a desire to attempt withdrawal from the drug habit. In addition, some of these people are parolees. It is significant that the parole board, recognizing the value of the house, has taken a favourable view of it in relation to parolees.

I visited Halfway House at Christmastime. It is located just two blocks from where I live, and I shall be going back regularly during the time the house is in recess this summer, if we get sufficient time off. I was most interested in what I saw there that afternoon. The people who are doing the work at the house are themselves in a more advanced stage of withdrawal from the drug. The directors are citizens of Vancouver from different walks of life. I believe there is a United Church minister on the board, as well as a former member of the legislature. A number of the directors have been in business, and it is rather significant that there are four registered physicians on the board of directors. This fact is of importance with regard to the prescribed doses of methadon, which is a withdrawal drug.

The directors have written a letter to the Minister of National Health and Welfare in which they state they are aware that the police forces, provincial and mounted police, have had many reservations about Halfway House. However, the attitude of these forces is changing for the better at the present time, and the directors are seeking an interview with the top officers of both police departments.

This work has been conducted, as well as it is possible to do, in one of the old houses in Vancouver. It is a very old, ramshackle house of the shingle type. These people are doing well, considering the limitations placed upon them by the place in which they work. It is very interesting to note that within the last two weeks seven people from Halfway House have found employment in various parts of the province, two of them in Vancouver and the other five outside the city. When I was there at Christmas I found they kept a very careful record of two things. They keep a careful record of the people who come in, the jobs they get and where they are located. They also keep a record of where every single tablet of that methadon drug goes. There is nothing to the objection raised by some people that this house is a place where methadon can be passed on to other people. They keep track of every single tablet, and I am assured it is used right in the house under the supervision of the prescribing doctors.

As proof of the fact this place is doing good work, I can cite the fact it is now the recipient of a grant of $1,000 per month from the city of Vancouver and the provincial government. The officials of Halfway House have to supply to the city of Vancouver and the provincial government a monthly medical statement and a monthly financial statement. Both the provincial government and the city therefore are

satisfied this is a responsible organization which is doing a commendable job. Of course this organization is saving the city and provincial government a great deal of money by getting jobs for people who are in quite hopeless condition upon arrival there.

The point is that the board of directors need another establishment. They do not want to do away with the one they have now, because it is essential, but they want another place where they can put people who have partly withdrawn from the habit, in order to keep them for a longer time and keep them away from those in the early withdrawal stage. I can well understand the reason for this because the afternoon I was there at Christmastime someone who had been there for less than 24 hours had a complete seizure and was taken out to be dealt with by the people in the house. This crisis resulted from the beginning of withdrawal from drugs. I also saw the effect of this disaster on the inmates of the house. As a matter of fact, I felt it was having a very bad effect on the others who were a bit farther along with the withdrawal treatment. What a thing to witness, the terrible agonies of this man as he started withdrawing from the drug.

What the organization needs is help from the federal government. The people are prepared to do their share of work, but they need financial help. I understand they have approached both the Solicitor General and the Minister of National Health and Welfare with regard to obtaining new premises. There may be no hope that help in that particular form will be forthcoming. However, the directors do not care whether the help is in that form or in the form of cash.

In addition, I am quite sure they want the Solicitor General to visit the place. They are most anxious to have this piece of pioneer work succeed.

• (8:50 p.m.)

With regard to their relation to the Narcotic Foundation, there is some pull there. A great many people believe that all government efforts should go into the Narcotic Foundation, but I do not agree with that. That is a useful foundation and is doing excellent work. However, there is also a place for this much smaller, more intimate, homelike atmosphere where a great many people carrying on the work of treating addicts are themselves sufferers from the drug habit. They are curing themselves and carrying on the duties of the house, as well as carrying forward the co-operative efforts of the house.

[Mrs. MacInnis (Vancouver-Kingsway).]

At this stage I wish to make an appeal to both ministers—that is, if both of them are responsible for the awarding of grants. I suppose there is not much likelihood or danger of there being any overlapping, but I think that this is a good experimental move which should be carried on under the best possible control conditions. It is something which will be valuable and which, in the long run, I believe will save the taxpayers a great deal of money. In the short run it will save these people and their families from having lives which would hardly be worth living at all. Many of these people will once again be made self-sustaining and will become of real value to our community.

Mr. Allmand: Mr. Chairman, I will be very brief; I have just a few points I want to bring to the attention of the minister.

My first point is with respect to preliminary inquiries. I should like to recommend to the minister that he give serious consideration to amending the Criminal Code to provide that all preliminary inquiries be held in camera. The purpose of the proposal is to protect the reputations of innocent people against whom charges are brought, but are dismissed at the preliminary inquiry.

There have been many cases of this in Montreal during recent years. I can think of several, but I am not going to mention the names of the people involved because they have had enough bad publicity as it is. These people have had charges brought against them, and the judge at the preliminary inquiry has dismissed the charges as being without any foundation whatever. However, as a result of the charges that were brought and the widespread publicity which accompanied them, the reputations of these people have been ruined to the extent that many of them cannot obtain jobs or cannot even continue to live in the districts in the city in which they have lived for years.

If at the preliminary inquiry there is found to be sufficient evidence to proceed to trial, then it is understandable that the trial should be held in public. However, I think that some serious consideration should be given to holding preliminary inquiries in camera. I believe that the bar association has endorsed this proposal, so it is not a proposal that has been put forward without due consideration being given to it.

I have two other brief points. I am not too sure whether they come under the jurisdiction of the minister but I shall mention them anyway. One is with respect to compensation for

the victims of crime. There is before the house a private member's motion on this subject. When it came before the house recently I spoke in favour of it. The matter was also brought up during the debate on capital punishment. Compensation boards of this sort have already been introduced in New Zealand and Great Britain, and I think they are very necessary.

Take for example crimes of violence, where the accused are convicted and sentenced to prison. There is no recourse to compensation for the persons who are the victims of such crimes. Since it is the duty of the state to protect the public against crime, if the state fails in its duty and a crime is committed then there should be some compensation to the victim. Often persons suffer from assault, rape or different types of injury, either to their persons or to their property, but there is no way to repair this damage. I think we should closely follow the experience in Great Britain and New Zealand and look into this question.

My last point relates to costs incurred by persons accused of crime. Again I think that if a person is accused of a crime but after preliminary inquiry the charge against him is dismissed, some reimbursement should be made of the costs incurred by the defendent, who must engage a lawyer and go to a lot of trouble to defend himself against a criminal suit. I cannot see why the costs should not be reimbursed, in the same way as when a person successfully wins a suit in a civil case.

Therefore, Mr. Chairman, I put these three points to the minister. The first is that we should consider holding preliminary inquiries in camera; the second is that there should be some means to compensate the victims of crime, especially victims of crimes of violence; and third, we should consider some method by which the costs of an accused person who is found not guilty at preliminary inquiry should be reimbursed to him.

Mr. Herridge: Mr. Chairman, I shall be quite brief because I know the committee wants to conclude these estimates as soon as possible. First of all I wish to thank the minister for his promptness in attending to any matter that I have brought to his notice. I join with the other members of the opposition who have expressed their appreciation for his courtesy and have recognized his competence. I also wish to express my appreciation for his staff in general and, in particular, for the work of the parole board.

During my 22 years in this house I have had numerous occasions to refer matters to the parole board and to ask them to consider parole in given cases, under certain circumstances and so on. I must say that from my personal experience I have found that the board treated each case I brought to its attention in a very humane way, with an understanding of the circumstances surrounding it.

In that connection I am reminded of one occasion when I received a letter from a man who said that he was an ardent C.C.F. member and supporter, and who asked me whether I could get him paroled. He mentioned that he was all in favour of the Regina manifesto and the socialization of the banks. I went to see Mr. Ilsley and presented his case. I did not know the man in question or anything about him, but Mr. Ilsley said that he would look into it. About two weeks later he called me into his office and said: "Bert, there's no question that that chap is a really good C.C.F. supporter". So I replied: "What makes you say that?" "Well," he said, "he is in for his third bank robbery". I said: "Well, we will let it go at that".

I have had occasion to engage in voluminous correspondence with various people, particularly young people, in penitentiary for unfortunate offences. They like to feel that there is someone outside who thinks something of them, and this is particularly so if I know them. I know of two or three very unfortunate cases which arose as a result of association with persons who had no standards of decency whatever. I send them *Hansard*, having first marked it. They read it and write back to tell me what they think of the speeches that are made here, and so on.

I do not want to repeat what has been said so well previously today, but I do want to emphasize my support for all that has been said regarding the problems of the mentally ill who come within the clutches of the law and also with respect to the rehabilitation of those who are at present in penitentiary, particularly young people. As I have said before, I have had placed before me several cases of young people who committed very serious crimes just because they were with undesirable associates at the time, and were also perhaps intoxicated. I join with others for a more humane and understanding approach to personal problems created by a society that in certain instances is lacking, a standard of values. To that extent we are all partly responsible.

Supply—Solicitor General

• (9:00 p.m.)

I wish to say a few words about the officers and members of the Royal Canadian Mounted Police. I am informed that the commissioner is to retire at an early date to accept a position as parliamentary commissioner or ombudsman for the province of Alberta. This is pioneer legislation for Canada. I am sure the administration of this legislation will be followed closely by members of parliament and of provincial legislatures and by all who are interested in protecting the rights of the citizen in our increasingly complicated society. I am sure that his lengthy experience in the R.C.M.P. and his understanding of, shall I say, both sides of the coin so far as the administration of the law is concerned will stand him in good stead. This is a new position and presents the commissioner with a great opportunity for service to the public advantage. I am sure that everybody will watch the administration of this legislation with interest. I, with many others I am sure, join in wishing him continued good health and every success in all he undertakes to protect the rights of the Canadian people.

I wish to say a word or two about law enforcement officers. Unquestionably our law enforcement officers today have an increasingly difficult role. We live in an entirely different world from the one that many of us were brought up in. Many of the complications in our society today we were unaware of in our youth, or we thought that they did not exist. I must say at this point that I agree with the remarks of the leader of the official opposition when he referred to the histories of the Royal Northwest Mounted Police and the Royal Canadian Mounted Police. To some extent, I also agree with his contentions, that the public's image of the force and its appreciation of the force has declined owing to the requirement that the force spend a good deal of time in dealing with traffic violations. I think there is some validity to that contention. Those duties have affected the image of the force —particularly its image with younger people, though other persons have also expressed that view.

On a number of occasions in recent years I have noticed the growing inhumanity of man to man. Not long ago I was crossing an intersection in this city when a bus driver was driving through on the light. He had the right of way. No passenger was in the bus. Four men under the influence of liquor drove in front of this bus, and the bus driver dented their car in and pushed it along the tracks.

[Mr. Herridge.]

Possibly a dozen people who were on the corners at the time of the accident all disappeared. I then heard the men getting out of the car and saying that they were going to charge the bus driver with crossing against the light. I heard this going on, went over to the group and listened to the conversation for a minute or so. The men said they would lay a charge as soon as they could find a policeman. I then said to the bus driver: "If you want a defence, here is my card. I am willing to go into court and say what actually happened, because I saw it." As soon as I said that, the men got back into their car and drove off.

Members of the R.C.M.P., as all of us are, are human—Mr. Chairman, I am not actually a saint, although many people think I am—and therefore they make mistakes. From my experience, any complaints that I made to a senior officer or detachment head were immediately investigated, and where action was required to remedy the complaint, action was taken.

Less than six weeks ago a man dropped dead outside the entrance to the east block. Everybody hurried by. The man who was with him when he dropped appealed to those around him for help to carry the afflicted man. It was not known then that the man was dead. An appeal was made to help carry the man to the Chateau Laurier. In the end the friend had to leave the afflicted man lying on the sidewalk, go down to the Chateau and get some employees to help carry the man down to the Chateau. A situation of this kind is incredible; yet that sort of thing happens in the society in which we live. It would never have happened a few years ago. These incidents show the influences that are brought to bear on our young people. To some extent we are all guilty of the circumstances under which we live today.

In that connection may I conclude by reading a paragraph or two from an article headed "Let's Face It". It is a commentary by Barbara W. Tuchman, and has a further heading "The Missing Element—Moral Courage":

> Of all the ills that our poor criticized, analysed, sociologized society is heir to, the focal one, it seems to me, from which so much of our uneasiness and confusion derive, is the absence of standards. We are too unsure of ourselves to assert them, to stick by them, if necessary in the case of persons who occupy positions of authority, to impose them. We seem to be afflicted by a widespread and eroding reluctance to take any stand on any values, moral, behavioral or esthetic.
>
> Everyone is afraid to call anything wrong, or vulgar, or fraudulent, or just bad taste or bad manners.

Then the article goes on:

> Since then, the human species has been busy overbreeding, polluting the air, destroying the balance of nature and bungling in a variety of directions so it is no wonder that we have begun to doubt man's capacity for good judgment. It is hardly surprising that the self-confidence of the nineteenth century and its belief in human progress have been dissipated. "Every great civilization," said Secretary of Health, Education and Welfare John Gardner last year, "has been characterized by confidence in itself." At mid-twentieth century, the supply is low. As a result we tend to shy away from all judgments. We hesitate to label anything wrong and therefore hesitate to require the individual to bear moral responsibility for his acts . . .
>
> What it requires is courage—just a little, not very much—the courage to be independent and stand up for the standard of values one believes in. That kind of courage is the quality most conspicuously missing, I think, in current life.

I agree with many of the opinions held by the writer of the article.

In conclusion I wish to say this: Every one of us, in my opinion, has some personal responsibility for the maintenance of value standards, if democracy is to be maintained and improved.

Mr. Pugh: I will not take a minute, Mr. Chairman. May I ask the minister a question about the museum on the federal site at Battleford? It is connected with the Royal Northwest Mounted Police. It is a fine place and attracts many tourists. However, one part of the area could be improved. A graveyard is there, dating back to the revolution. I saw that some new stones had been erected, but there were also graves where it was impossible to read the names. Obviously the graves are of constables who served at that time. May I suggest that the graveyard be brought up to date and made truly presentable? It is a wonderful site. This matter I suggest ought to be looked into right away.

• (9:10 p.m.)

Mr. Pennell: My first and manifest duty is to express my appreciation of the very kind remarks which have been directed toward myself. I can only hope that I may be worthy of them in the months ahead.

It would be extremely difficult for me to deal with every detail which has been raised during this instructive and interesting debate, and if I should overlook any point I am sure hon. members will understand that it is through inadvertance, not by design. The hon. member for Okanagan Boundary raised an interesting point concerning the museum at Battleford. I am grateful to him for doing so, because I think Canadians suffer from an underdeveloped sense of history. If the centennial year has done nothing more it has awakened us to the fact that we do have a history and a tradition which we ought to preserve. I undertake to look into this question of the museum and graveyard at Battleford.

The hon. member for Kootenay West put his finger on a very pertinent point. I endorse his statement that there is a real danger in Canada today that we may come to regard crime with apathy and indifference, looking upon it as a natural phenomenon.

The hon. member for Notre-Dame-de-Grâce raised three points. May I say to him, with respect, that I feel these fall more properly within the jurisdiction of the Minister of Justice, or under provincial jurisdiction. This does not of course detract from the importance of the points he raised.

The honourable and charming member for Vancouver-Kingsway is always difficult to resist when she is pleading a case. I acknowledge I have received a communication from Mr. Dixon, the secretary of the Vancouver Halfway House and confirm that I gave an undertaking to the hon. member and her friend from Vancouver East that I would visit Halfway House in Vancouver. I reaffirm that I will fulfil that commitment and I hope the hon. lady will be available to accompany me on my visit.

An hon. Member: Go half way.

Mr. Pennell: I feel that these voluntary agencies are playing an important part in the war against recidivism. The hon. member for Fraser Valley raised a point concerning parole. He will forgive me if I deal with it later when I have occasion to deal with the remarks made by the hon. member for Regina City and the hon. member for Simcoe East on the subject of parole, generally.

The hon. member for Regina City expressed concern as to the amount of assistance the government is giving to after-care agencies. Perhaps I might put on record the yardstick we use in this respect. The voluntary agencies are playing an important part in assisting the penitentiary service. Grants this year to recognized after care agencies will amount to $455,850, which represents an increase of approximately $70,000 over last year. These grants are awarded on the following basis. There are grants to cover expenses incurred by after care agencies in the supervision of inmates released on parole. These are at the rate of $9.50 per man month. Then there is a

grant to cover expenses incurred by agencies in providing rehabilitation services to inmates released at the end of their sentences; the cost of such services averages $25 per inmate. In addition, we make grants to cover expenditures by such agencies in providing services to inmates during their incarceration. The agencies agreed to provide these services at a conference held on October 1, 1964, and the estimated cost is $20 per inmate.

Finally, sums are being made available to assist the development of certain after care agencies, foundations and halfway houses concerned with helping inmates of penitentiaries find their way back to society. Included in the 1967-68 estimates is a special grant of $10,000 to St. Leonard's House at Windsor, Ontario, for capital purposes.

The hon. member for Regina City also asked some questions regarding the museum in Regina. I agree that this museum is an authentic piece of Canadiana worthy both of the city of Regina and of the R.C.M.P. I have had some discussions with the attorney-general of Saskatchewan concerning a new building for the museum, and while I am not in a position to give a definite commitment at this moment, I can say that I am very much interested. I am pursuing this matter, and as far as I am concerned I feel that this museum ought to be housed in new quarters.

As far as the new police college is concerned, I would point out that this college is intended for senior officers. We are committed to maintaining Regina as the centre of our basic training, and our long range plans include substantial expansion of the present facilities there for the training of recruits. But the police college is intended for senior officers in the force. Its location has not yet been announced; I hope I shall be in a position to make an announcement on this point in the very near future. This would be a supplement to the basic training centre in Regina.

Mr. More: I wish to ask the minister one question in connection with the courses for police officers which have gone on in Regina over the years. I know that members of city police and members of other police forces have attended them. Will these courses be continued in their present form at Regina or will the new college take them over? If it is intended to take them over, I urge that the new college be placed in Regina.

Mr. Pennell: I apologize to the hon. member. I did not understand the full import of his question. Perhaps I might explain the purpose of the new police college. It will be the centre of advanced courses for senior officers of the R.C.M.P. We shall continue to provide training for municipal police and other police forces in Regina. When they require a higher standard of training these officers will be invited to come to Ottawa.

The hon. member for New Westminster touched on a point that is close to my heart when he spoke of the need for a reform of the bail system. I have not yet forgotten an experience that I had when I was practising. I was called upon to defend a young man who had been arrested on a very serious charge. He had been held in prison for six months for the simple reason that he was unable to raise bail. When his trial was finally held he was found not guilty; it was clearly a case of mistaken identity. Due to the present system of bail arrangements this man, in my humble opinion, was kept unnecessarily in jail during a very hot summer. I know that the Minister of Justice is very much concerned with this important matter and at the present time the Ouimet committee, otherwise known as the Canadian Committee on Corrections, is studying this matter. On that committee is Mr. Arthur Martin, one of the foremost defence lawyers in Canada and I am satisfied, looking at the calibre of the members on that committee, that this matter of bail reform will be carefully scrutinized.

• (9:20 p.m.)

The hon. member for Broadview speaking, if I may say so, with his usual moderation and good sense raised the very important problem of juvenile delinquency. The report, as I understand it, falls broadly into three parts. The first part is concerned with revision of the act. I can assure the hon. member that we now have two officials in the Department of the Solicitor General devoting full time to the revision of the act and I am hopeful that early in the fall we will have a draft amending bill ready, and be in a position to discuss it with the authorities in the provinces, who of course have a large stake in the problem of juvenile delinquency.

The second part of the report deals with the setting up of a youth and delinquency research centre. I am now at liberty to say that my colleagues in the cabinet have approved a memorandum I placed before them and we are now proceeding to set up this research and advisory centre. However, I must confess I am encountering some difficulty in securing the services of people we feel

are qualified to organize this new centre in the department.

The third part of the report falls into the field of co-operative federalism. This is a matter of providing financial assistance in fields which are primarily of provincial concern and provincial responsibility. However, we have set up an interdepartmental committee and this aspect of the report is also receiving attention.

The hon. member for Timiskaming made a strong plea for the granting of paroles, as did the hon. member for Leeds, and I am in full accord with the representations made by both hon. members so far as parole is concerned. I might add that I have made a similar plea on almost every occasion I have spoken in public since I assumed my present responsibilities.

I must point out that I respect the integrity and the independence of the parole board. We all realize that the parole board is not granted the luxury of hindsight, so every parole is an act of faith and vision. Members of the board spend many anxious hours considering every application. I think it only fair to put on the record on their behalf that in 1965 they reviewed 10,868 cases and 2,297 paroles were granted. In 1966 they considered 10,431 cases and granted 2,496 paroles. Therefore in 1965 and 1966 there was an increase not only in absolute terms in the number of paroles granted but also percentagewise in relation to the number of cases considered and the number of paroles granted.

I know the hon. member for Timiskaming will be much heartened by the fact that this year up to May 31 the parole board has granted 1,151 paroles as compared with 818 for the same period last year, an increase of 333. If the number of paroles granted continues at the present pace for the remainder of the year, the parole board will grant 3,000 paroles this year, a new high in the board's history. I am sure the hon. member will certainly approve this course of granting an increased number of paroles.

Mr. Peters: Does not the minister agree that this is considerably below the percentage level of 1960? In other words, the board has not caught up to the level it had reached in 1960 when almost 3,000 paroles were granted and we had fewer inmates in prison. We are not going ahead. We are not reaching the 1960 percentage level. Does the minister not think we should be moving much faster than we are in this respect? I appreciate that we are moving pretty fast, but could he not advise the parole board to step up the number until the percentage is increased?

Mr. Pennell: The hon. member for Timiskaming is quite right, Mr. Chairman. The number of paroles granted in 1960 was 2,525. However, I believe his wish is being granted this year because, as I pointed out a moment ago, if the board continues at the present pace the number of paroles will reach 3,000. However, the hon. member and I are on common ground so far as paroles are concerned, and I am glad to have his support and the support of other hon. members in bringing to the attention of the parole board the need to grant more paroles.

As I have pointed out, the board is an independent body, as it should be, but I am satisfied that the appeals made in this chamber tonight will not fall on deaf ears. I should also like to put on record that in the estimates now before the committee we are seeking an additional $466,000 for the purpose of increasing the number of parole service officers. The board proposes to add 31 parole service officers in 1967-68 over the number employed in the previous year.

Turning now to the representations made by the hon. member for Winnipeg North, he quite properly asked what was happening to the submissions and briefs of the various voluntary agencies regarding the design of the maximum security institutions. I know the hon. member is aware of the fact that we set up an all party joint committee of the Senate and the House of Commons and that these briefs were submitted to it. The committee examined, cross-examined and re-examined witnesses who appeared before it, and I have now decided to accept the report of the joint committee. It aired the matter throughly and I feel that it would be only reasonable and proper for me to accept its report, which I understand was unanimously approved.

The hon. member also put in a plea for an increase in probation. Again I welcome his support, for I have stated time and time again that it is my firm conviction that it is through non-institutionalized treatment that we are going to win this fight. I believe the war against crime must be joined before the inmate reaches the federal system. The majority of inmates in our federal institutions have been convicted at least once, and most of them at least twice, before they get into the federal correctional system, and it is late in the day then to begin to win the war against recidivism.

Of course, Mr. Chairman, the question of granting suspended sentences and the implementing of a probation system rests with the sentencing magistrates and judges, and is outside the jurisdiction and control of the Solicitor General and the Minister of Justice. However, I think that the plea being put forth by the hon. member for Winnipeg North and other hon. members is bearing fruit, because there are now approximately 500 fewer inmates in our federal institutions than there were at the same time two years ago. Although I am tempted to claim the credit for the penitentiary service, I feel in all honesty that the decline in the number of inmates in our institutions is due in part to the fact that the judges and magistrates are using probation more generously than they did a few years ago.

Mr. Orlikow: Does the minister not agree with the submission made by the Canadian Corrections Association, from which I quoted, that judges and magistrates would use probation more frequently if there were more adequate probation services? Is the minister giving consideration to implementing the recommendation of that association that there be a national probation act and a national probation service financed jointly by the federal and provincial governments?

• (9:30 p.m.)

Mr. Pennell: I think the hon. member for Winnipeg North raised a valid point when he stated he thought magistrates and judges would use probation more generously if there were more probation officers. I believe that to be correct, and I speak from experience in my own city of Brantford. As soon as a probation officer was brought in there the presiding magistrate began to place prisoners on probation more frequently.

We are providing more funds for parole officers. The amount this year is $460,000. The parole officers and the probation officers are working together; they assist each other. After all, I have to fight at the treasury table for moneys for the department, but the government has been very generous in this regard. I believe more money has been approved by the present government for the penitentiary service in this past year than in any other year in the history of the service. However, I agree with the hon. member that if we had more probation officers perhaps we could do a more effective job.

A short time ago, together with the Minister of National Health and Welfare, I had the privilege of meeting a delegation representing the Canadian Mental Health Association. At that time, as I understood their brief, they advised me that we could expect that the demand for psychiatrists would continue to outrun the supply. The mental health association, however, was kind enough to suggest that they would send a member to meet with the officials of my department for the purpose of setting up a course of training for the correctional officers and chaplains. We are now planning a meeting for the purpose of setting up a new program.

The penitentiary service has also entered into agreements with several Canadian universities whereby internships are being set up which recognize penitentiary employment in respect of forensic psychiatry and psychology. Provision is being made this year to enlarge the correctional staff colleges in Ontario and to commence the construction of another staff college in British Columbia.

Perhaps now I might deal with the points raised by the right hon. Leader of the Opposition. He always makes a most interesting speech and he never is more eloquent or moving than when he is dealing with the case of those who, unfortunately, have lost their way for a little while in our society. He supported the recommendation of the highly respected member from Simcoe East with regard to the wiping out of records. This matter has exercised my mind for some months now. In my days at the bar I was very close to the subject. I think the hon. member for Parry Sound-Muskoka put his finger on the real difficulty. Perhaps I might quote the hon. member:

> I should like to conclude with a word about this proposed legislation concerning the wiping out of criminal records. The committee hearings were most useful, but the real problem was this: What would happen in the case of a person who was asked, in connection with an application for employment, for example, whether he had ever been convicted of a criminal offence? Even if the record of the offence had been wiped out, an answer is required—yes, or no.

This is the great difficulty. However, as I stated earlier in the course of this debate, this difficulty ought not to deter us from doing what we can to assist those who have made a conscientious effort to go straight. We should make every effort to reduce the area of injustice, no matter how small. My officials are still considering this problem and we intend to push forward and to do our very utmost.

Mr. Aiken: Mr. Chairman, I assume the minister read all my remarks. I should like to ask him if the suggestion that a person could

only be asked a certain question has any validity. I should like to know whether there is anything wrong with this from a constitutional point of view. What I have in mind under the proposed legislation is that a person could only be asked, "Have you been convicted of an offence for which there has been no certificate granted under this act?" If such a course were adopted, would there by any objection to it of which the minister is aware? This in effect would limit the type of question which could be asked on a questionnaire in the same manner that a question concerning race is eliminated from a questionnaire under the Ontario human rights law.

Mr. Pennell: I am sorry if I misinterpreted the remarks of the hon. member earlier. I believe the point raised by the hon. member is one which perhaps would come within provincial jurisdiction relating to civil rights. Perhaps it is one which should be raised at the next conference of the attorneys general.

Mr. Aiken: Mr. Chairman, the reason I raised the question is that while I did make the remarks the minister has read, I also thought I had provided the answer.

Mr. Pennell: This is so unusual in the house that it caught me by surprise and I apologize to the hon. member.

The right hon. Leader of the Opposition also suggested that consideration should be given to calling a royal commission on crime. I should like to point out that I have devoted a major part of my opening statement to the subject of crime in Canada at the present time. I have read very carefully the proceedings of the hearings of the commission on crime that are going on now in Quebec. I wish to put on record that I have scarcely read a name that had not been raised during the discussions at the last attorneys general conference. I make this point to show the house that the attorneys general are alert to the grave challenge that crime poses to the quality of the Canadian society.

The hon. member for Simcoe East also raised a question about the unfortunates who leave the penitentiaries without parole and without help. I am sure he will be interested to know that in this year's estimates we are asking for approval to open five community control release centres. These centres will accept men who are in the late stages of their sentence. We will provide them with board, lodging, and counselling. They will go out into the community and try to gain employment. They will have a place to stay while they are getting adjusted again to society. We have been successful in obtaining a residence in Montreal and are seeking residences in Hamilton, Toronto and some of the other major centres. This is on an experimental basis, but we feel it is a step in the right direction. I am sure the hon. member for Simcoe East will give his approval.

The hon. member also brought to my attention the problem which arises when a person is charged, found unfit to stand trial, and subsequently found to be fit to stand trial. The question then arises what about the time such person has spent in the institution. Speaking from experience, I know that trial judges generally take into consideration when passing sentence the time spent in these institutions. I can also advise the hon. member that the parole board has power under the regulations, in respect of granting parole, to take into consideration the time spent in an institution pending sentence and trial. Therefore the board can deal with it not only in keeping with the letter of the law but also in the spirit of the law.

Mr. Chairman, I have dealt with as many points as have caught my eye. If I have overlooked any points, I apologize to the house.

• (9:40 p.m.)

Mr. Roxburgh: Mr. Chairman, I should like to direct a question to the minister. When I spoke on the question of compensation being paid to innocent persons I asked whether the minister would give his support in working with the provinces to arrive at some agreement between the provinces and the federal government to make sure that innocent people would receive compensation. I believe I also asked the minister whether he would support my suggestion in respect of cases which came under the jurisdiction of the federal government. I may have missed it, but I do not think the minister mentioned that point in his very fine résumé of questions asked by hon. members.

Mr. Pennell: Mr. Chairman, I believe that this problem is, generally speaking, the responsibility of the provincial authorities. I know that the hon. member raised this point in the course of his speech. I would advise the committee that on the single occasion when it was brought to my attention that a person was held illegally in a federal institution, full restitution was made to that individual, to his

satisfaction. I believe our actions on that occasion speak for the feelings of the minister and the department in this matter.

Mr. Roxburgh: The minister has referred to one case. I can give, not one case but a dozen in which restitution has not been made. There is no provision at the present time whereby these people can be compensated. Responsibility in this connection has been passed back and forth between the federal government and the provincial governments. I agree that the provincial government is responsible for the administration of justice, but it is up to the federal government, under whose jurisdiction the criminal law falls, at least to take a step forward, not just in one case but in the many cases that have developed ever since there has been government in Canada.

I could quote a number of cases where this has happened. I gave the example of one case, that of John Labatt III, where this happened. I mentioned this one case only because I felt that was all that was necessary. Somebody has to accept the responsibility in taking the lead as between the provincial and federal government. The lead must be taken in getting these two levels of government to work together. The responsibility must not be passed from one to the other. All I am asking as a member of parliament and a member of the party governing this country is that the minister and the Minister of Justice take some action to work with the provinces and say: We will pay 50 per cent if you will pay 50 per cent. We must get something going in this respect and not leave the responsibility with the provinces. I am only asking that the minister give his support to such an idea. All he has to do is say yes or no.

Mr. Pennell: Naturally, Mr. Chairman, I would support any move that would bring relief to people who have suffered an injustice but I cannot—and I am sure the hon. member, who is a very good friend of mine, would on reflection not expect me to do so—stand here today and on a matter which I believe is primarily the responsibility of those who administer justice, namely the provincial authorities, commit my department or the government to granting relief. I have already put on record the fact that in every case in which we have a responsibility, we have discharged our responsibility.

Mr. Roxburgh: I am not asking the minister about that. All I am asking is that he take a step forward to get the provinces to do something in this regard. Someone has to make a start. The criminal law comes under the jurisdiction of the federal government. As the minister has said, the administration of justice falls within the jurisdiction of the provinces. Would it not be nice if the federal government were to say: We will pass legislation which provides that if a man in the province of Ontario, the province of Quebec, the province of Prince Edward Island, or whatever the case may be, is wrongly accused and has been in jail for two years and then released, we the federal government will pay compensation to the extent of 50 per cent if the province will do likewise? There is not a province in the Dominion of Canada that could refuse such an offer. All I am asking the minister to do is take a step forward to see if legislation in this regard cannot be worked out. If anyone were to suggest that it would not be practical to work out legislation along these lines, I would point out that the provinces and the federal government work out all sorts of legislation at the present time. This is all I am asking in this instance. The minister is right in what he has just said, but all I ask is that the minister, his department and the Minister of Justice give their support in seeing whether something cannot be done to correct this injustice.

The Chairman: Shall vote No. 1 carry?

Mr. Monteith: Mr. Chairman, just before vote No. 1 passes I should like to ask the minister a question. I am a layman in this field, not being of the legal profession, but one thing has disturbed me. In his reply of a few moments ago the minister mentioned the case of an individual who was found not fit to stand trial and was subsequently found fit to do so. A legal interpretation may be involved in this question. I do not know whether I am asking for a legal opinion. I really do not know what I am asking for; but it has disturbed me to learn that this case concerned an individual who had committed murder. I refer specifically to a charge of murder. I know of a case where the individual had committed murder, was found unfit to stand trial, remained unfit for a period of some months, and subsequently was found fit to stand trial and was eventually convicted and hanged. I am not sure whether it is a matter of legal interpretation as to whether he was sane when he committed the crime, but there seems to me to be a hiatus here somewhere which I as a layman fail to understand.

Mr. Pennell: Mr. Chairman, I believe I recollect the case to which the hon. member has referred. Speaking from memory, immediately after the offence the accused was arraigned and at that time was found to be mentally unfit to stand trial. Apparently the shock of realizing what he had done deranged his mind. He was committed to an institution. Later, under treatment he recovered. He was brought back to court and charged. I believe the issue of his insanity at the time of the offence was put in issue before the judge and jury. Argument was submitted, expert witnesses were called, and the jury found he was fit to stand trial and that he was sane at the time of the commission of the offence. All the circumstances surrounding the case were thoroughly aired. I must, however, add this caveat, that I am speaking from memory and am not absolutely positive that we are speaking about the same case. But the facts seem very similar to those of a case in western Ontario possibly 10 years ago, or a little longer.

Mr. Choquette: Mr. Chairman, I have a very short question. There is in Quebec an inquiry being conducted into the administration of justice. Could the minister tell the committee whether a federal observer is attending the sittings of this inquiry. I am sure many amendments to the Criminal Code will be recommended after the inquiry is concluded, and I wondered whether there was a federal observer to follow the inquiry.

Mr. Pennell: Mr. Chairman, I am not aware whether there is an officially appointed observer attending the hearings of this commission. I do know, however, that there have been conversations between counsel conducting the proceedings on behalf of the commission and my department. We have been co-operating with them in so far as inquiries have been made to the Department of the Solicitor General. I have no doubt that the findings of the commission will form part of the agenda at the next attorneys general conference.

• (9:50 p.m.)

Mr. Gilbert: Mr. Chairman, I have one short question for the Solicitor General. I wonder whether we can expect any legislation in this session with regard to the abolition of capital punishment. We all know how concerned the Solicitor General is with this topic.

Mr. Pennell: Mr. Chairman, I am not in a position at this moment to give an answer to that question. I believe the Prime Minister will make the announcement at the appropriate time.

5. Administration, operation and maintenance including compensation to discharged inmates permanently disabled while in penitentiaries, $42,472,300.

Item agreed to.

Correctional services—

10. Construction or acquisition of buildings, works, land and equipment, $28,310,000.

Mr. Patterson: Mr. Chairman, under this vote on page 485 there is a breakdown of appropriations for construction or acquisition of buildings, works, land and equipment. I notice there is an item of $2,023,790 for the Pacific region. I wonder whether the minister could give us an indication of what this is for.

Mr. Pennell: The appropriation calls for $2.6 million for the initial construction costs of reception centres which will be located in the Atlantic provinces, Quebec, Ontario and the western regions. There is also an appropriation of $1 million for the initial construction costs of medical centres in Quebec, Ontario and the western region. I believe the figure indicated by the hon. member is included in the total which I just mentioned.

Mr. Patterson: Is part of this amount to cover the expenses in connection with a proposed institution at Mission? Over $2 million is to be spent in the Pacific region. I do not want to hold things up, but I am wondering if the minister has the answers.

Mr. Pennell: I see by a nod from one of the officials in the gallery that the answer is "yes".

Mr. Patterson: I appreciate that very much. I am glad the minister and the department recognize the new healing influence of the Fraser Valley environment in physical, mental, moral and spiritual matters. Recently the drug addiction centre was opened. Unfortunately the minister was not able to be there but the Postmaster General officiated. That was in my constituency. Now we appreciate the fact that an institution is to be erected at Mission, which also will provide services to those who need assistance. As I said, I do not wish to hold up the estimates now but I would like to have the information as to what type of building is being contemplated, its size and all the matters connected with it. If the minister could secure this information for me, not tonight but at any time in the near future, I would be very grateful to him.

Mr. Pascoe: Mr. Chairman, I have a brief question on vote 10 which also applies to vote 15. Under vote 10 are included pensions to dependants of penitentiary personnel who lost their lives in the performance of duty. Under vote 15 the same item appears, namely pensions to families of members of the Royal Canadian Mounted Police who have lost their lives while on duty. Could the minister indicate how they lost their lives? Was it in attacks by prison inmates and, in the case of the R.C.M.P., in the course of an arrest?

Mr. Pennell: I do not have the details relating to all the cases. One case which comes to my mind involved a young constable killed in the course of duty. The offender is now standing trial charged with capital murder. In the penitentiary services I believe four guards were killed over the last six or seven years, and of course their pensions would be included in the vote referred to by the hon. member.

Mr. Pascoe: I thank the minister. I wanted that information on a vote that is coming up a little later.

Mr. Knowles: Mr. Chairman, I rise for only a moment to ask the Solicitor General, for whom we in this house have a great deal of respect, to be a friend in court. As he knows, some of us are anxious that the recommendations of the special joint committee on the public service of Canada regarding the pensions of retired civil servants might be implemented very soon. I will remind him that the report, which was tabled on May 8, says clearly that the expression "civil servants" in the context of that report includes retired armed forces personnel and retired personnel of the R.C.M.P. The case of retired R.C.M.P. personnel was ably represented to us when we met in the committee, and our recommendation is that whatever is done be done for all three of these groups. I hope the minister will use his good offices in the cabinet to see that action is taken with respect to all of these groups within the next few days.

Mr. Pennell: I wish to thank the hon. member for bringing this to my attention. I should add that the ex R.C.M.P. members also made a very strong submission to the minister.

Item agreed to.

15. Administration, operation and maintenance, including grants as detailed in the estimates and authority, notwithstanding the Financial Administration Act, to spend revenue received during the year, $62,438,000.

Item agreed to.

[Mr. Patterson.]

20. Construction or acquisition of buildings, works, land and equipment, $9,860,000.

Item agreed to.

The Chairman: This completes the estimates of the Department of the Solicitor General.

Resolution considered in committee of supply this day reported and concurred in.

• (10:00 p.m.)

BUSINESS OF THE HOUSE

Mr. Starr: I should like to ask the government house leader, Mr. Speaker, if he could give us some indication of the program for the balance of the week?

Mr. MacEachen: We would like to deal tomorrow with some legislation beginning with the committee stage of the measure to amend the Canadian Citizenship Act, followed by the committee stage of the Cape Breton Development Corporation measure and third reading of the measure to revise the Interpretation Act. If those are completed tomorrow, we would then go on with the estimates of the Department of National Health and Welfare. Wednesday, we would continue with the estimates of the Department of National Health and Welfare. Thursday we would call the Department of National Revenue and the Department of Trade and Commerce, and on Friday the Department of Public Works. This is a tentative program, Mr. Speaker, and if there is any reason to alter it, I will inform the house at the first opportunity.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

[*Translation*]

ESTATES GENERAL OF FRENCH CANADA—INQUIRY AS TO REQUEST FOR SUBSIDY

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, the original concept of that movement which is called the Estates General of French Canada is quite commendable. It is a very pleasant idea to take stock of the French fact in the country, to make an analysis, as comprehensive as possible, of the position of the French speaking Canadians in the North American context, and to explore all the avenues likely to insure a maximum spread to that large and great community which gets

from the French language an essential dynamism.

The word therapy, many a time, proved to be the most detrimental pitfall for the interests of French-speaking Canadians. Excessive verbalism, useless logomachy have too many times held back worthwhile energies which could have been much more useful somewhere else. An all new Quebec lexicon, during the last few years, displayed the following words: Associated States, independentism, particular status, co-operative federalism, and so on—a new terminology which does not fail to kindle constitutional discussions which keep Quebec in a ferment.

The Estates General have taken upon themselves the mission of preventing a sterile self-satisfaction in flatulent speeches so as to promote a deeper awareness of our national reality. They want to establish a common denominator. The protagonists of this initiative surely deserve the most respectful regard, and I would like to know to what extent the government is ready to give favourable consideration to this initiative.

Evidently, Mr. Speaker, I am conscious, for having taken part personally in its work, of that fact that the Estates General have run the risk of infiltration, but I think that since the elections of last April, a measure of success has been achieved in getting members whose objectivity has been proven.

Mr. Speaker, the federal government—and I am talking about the federal government as a whole, not on a partisan basis—has failed far too long to act like the government of all Canadians, and that explains to some extent the feeling of frustration which the provincial authorities express quite frequently.

I think that the federal authorities should show themselves as open-minded as possible to the aspirations of French Canada while, at the same time, seeing to it that a social order which benefits the Canadian community as a whole is respected.

Under the leadership of the present Prime Minister (Mr. Pearson), a new climate has been created, our people are allowed to participate more actively in the administration of the country and the bicultural character of Canada is stressed more.

Federal authorities have a moral responsibility to clear up the political atmosphere and to stop this ideological trend that tends more and more to convince the younger generation of Quebeckers that to be in Ottawa is to render a disservice to French-speaking Canada.

There is no more obvious error than that, and I am happy to note to what extent the present Prime Minister has co-operated to remedy this situation. In fact, the more the federal authorities are open to French-Canadian aspirations, the more this will help to uproot this ideological trend which, to some extent, is apt to give an inferiority complex to those who have the heart and the courage to serve their country in the House of Commons.

That is why I ask the minister who was kind enough to remain, what will be the reaction of the federal authorities toward the initiative called the Estates General.

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, as the hon. member for Lotbinière said, the Quebec caucus had the opportunity to look into the advisability of taking part in the meetings of the States General of Quebec by sending some delegates.

We have considered the problem at some length and we have finally concluded that political parties as such should not be representated within organizations such as the States General of French Canada.

Inasmuch as that organization, as pointed out by the hon. member for Lotbinière, tends to replace word therapy by an awareness in depth, we can only congratulate those who take part in such activities.

But we were struck, Mr. Speaker, by the aspect mentioned by the member, namely that the States General are looking for a common denominator. And it occurred to us that those who are appointed by the people, on the federal as well as the provincial level, are the ones who constitute that common denominator. As you know, the historic origin of the States General dates back to a period, before the French revolution, when in that country universal suffrage was unknown and efforts were being made to find a formula whereby the population could express itself.

Well, we, as federal members, do not want to go back almost two hundred years.

We believe that universal franchise is a considerable advance of the human mind, that it is a political institution of very high value, because under it, representation is based on citizens as such and not as a member of one group or another.

And, for that reason, Mr. Speaker, we can wish godspeed to those participating in those meetings. But, as the Quebec caucus of the government side, we believe that, having

been elected by universal franchise, we represent at the highest degree the wishes of the population in federal matters, in the same way as those elected at the provincial level represent the wishes of the population at the provincial level.

[*English*]

• (10:10 p.m.)

CANADA LABOUR (SAFETY) CODE—
PROCLAMATION OF REGULATIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, one week ago today, on Monday, June 19, as reported in *Hansard* at page 1657, I asked the Minister of Labour (Mr. Nicholson) when we might expect the regulations under the Canada Labour (Safety) Code to be proclaimed and the provisions of that act to be put into effect. I found it shocking to hear the minister reply that it would be the end of the year before we could count on these steps being taken. As a result I posted this question for a late show.

I notice that the parliamentary secretary to the Minister of Labour is here to give the reply. I know that my hon. friend, the parliamentary secretary, is a man of many words, especially when his case is weak; but I want him to realize tonight that there is only one satisfactory answer to this question and that is that the timetable with respect to this matter will be stepped up.

The Canada Labour (Safety) Code, which is now on the statute books, was read for the first time in this house in July, 1966. It had been put through all stages, passed by both houses and given royal assent by December 21, 1966. The parliament secretary will recall that when we dealt with this matter in the House of Commons committee on labour and employment we were urged by the government to expedite the passage of this legislation. Members of the committee felt that two or three minor amendments should be made but we were persuaded by the minister and those associated with him not to press for these amendments because it would mean that the bill would have to return to the Senate, and that would cause delay. We were told that there was great desire and anxiety to put this legislation into effect, and that this would be done as soon as we passed it.

I remind the parliamentary secretary that this matter has been kicking around for a long time; it was around before this government came to power; it was around during the régime of the previous government which had a bill not unlike the one which was finally passed. In other words, the Department of Labour has been working on this matter for a long time.

To be told therefore six months after the legislation has been passed that it will take another six months to bring it into effect is simply not good enough—especially when one realizes that the department's record with regard to the companion piece of legislation, the Canada Labour (Standards) Code, leaves much to be desired in terms of the many instances where the provisions of that act are not being enforced. It is not encouraging now to be told that the legislation being considered in this question will not be in effect for another six months.

The result is that those in railway shops and other places coming under federal labour jurisdiction, where there is no inspection on health or safety matters, because the provinces cannot come in and because the federal government has not entered the field, are wondering what is to happen and when something is to be done.

I said that this matter has been around for several years and dates back to the régime of the previous government. As the parliamentary secretary knows, the whole problem has been of concern to the Department of Labour and other departments for many years, indeed for several decades. I plead with the government to cease giving excuses about federal-provincial arrangements, and to cease telling us that the legislation will be implemented one year after it has been passed. From experience I know that when the government says it will take one year from the time legislation is passed to put it into effect, it will probably take two years, but there is no excuse for that kind of delay.

The government has been aware of this problem for a long time. I urge that action be taken in order that the provisions of this desirable legislation may be put into effect, so that employees in shops and factories under federal labour jurisdiction can have the benefit of this health and safety legislation without further delay.

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): The hon. gentleman who has just sat down said I had better make a long speech because my case was weak. I think I had better resume my seat immediately, because I do not think I have a weak case.

I have read the minister's words. He did not say "within some six months", but "some time before the end of the year" which according

to my interpretation can be at any time between now and the end of the year. I will not attempt to mislead the hon. member by trying to forecast precisely when the regulations will be completed. He did point out in a kindly way that it was the intention of the department to utilize as far as possible the facilities available in the provinces as part of a co-operative effort in order to provide proper safety standards and a minimum of jurisdictional problems.

I must remind the hon. member that, as he well knows, in the case of the shops there are at the present time available to employees and to unions the facilities of other departments of government. Eventually these will be transferred to the appropriate department, the Department of Labour, but it is not true that in the interval there are no regulations applicable to shops.

The Minister of Transport (Mr. Pickersgill) would be the first to move in connection with any flagrant case which smacked of unsafe practices. I can only say that the hon. gentleman has made a strong and eloquent case, one which I am sure the members of the Department of Labour will note tomorrow, and I will add my voice to his in urging that full effect be given to this desirable legislation as soon as possible.

Mr. Knowles: The hon. member's speeches are more effective when they are short.

WATER RESOURCES—SUGGESTED STUDY BY ENGINEERING BODY

Mr. H. W. Herridge (Kootenay West): Strange as it may seem, our abundant water is the only natural resource we still control in Canada. Since the unfortunate signing of the Columbia river treaty there has been a great awakening of interest right across Canada in the question of our water reserves on the part of professional persons, conservation groups, trade unions, municipal councils and groups of various types, including the provincial governments and, finally, the federal government.

This is the one advantage we have gained from the signing of the Columbia river treaty—it has alerted Canadians to the situation which exists with respect to our water resources. There is a growing concern about the supply of our water resources and their ability to meet the needs of future generations.

On this account there has been a growing demand for a national water policy. We cannot have a national water policy until we have a national inventory of our water resources, and this is why the Association of Consulting Engineers of Canada recently dealt at some length with this question and made a proposal to the Minister of Energy, Mines and Resources in this connection.

• (10:20 p.m.)

It is for that reason, Mr. Speaker, that on June 23 I asked the following question:

> Mr. Speaker, I wish to address a question to the Minister of Energy, Mines and Resources. My question is based on a decision by an important group of Canadians who are concerned about Canada's natural resources. Has the minister received a brief from the Association of Consulting Engineers of Canada urging a 15 year study of Canada's water resources, estimated to cost about $200 million? If so, would the minister inform the house of his response to these interesting proposals?

Unfortunately at the time the question was not considered one of immediate urgency. So I have taken advantage of the late show to ask this question because I know a number of persons are interested to get the government's response to these proposals. I must compliment the association of consulting engineers, and say that I look forward with great interes to the minister's reply.

Hon. John N. Turner (Registrar General): Mr. Speaker, I am delighted to have the opportunity to spend the late evening hour with my good friend from Kootenay West. First I want to say that I appear on behalf of my colleague, the Minister of Energy, Mines and Resources (Mr. Pepin) to reply to the hon. member's question.

Having sat with the hon. member for Kootenay West on the external affairs committee dealing with the Columbia river treaty some years ago, I know how vivid his interest is in water. I share with him the feeling that this is our most vital resource in this country. Of course I also want to say that I disagree fundamentally with him on his view of the Columbia river treaty, which I still interpret to be a good contractual arrangement between the United States and Canada—

Mr. Herridge: Mr. Bennett now agrees with me.

Mr. Turner: —with benefits to both sides, and of course concessions made by both sides as is necessitated by any contract.

The short answer to the hon. member's question is yes, the minister did receive a brief from the Association of Consulting Engineeers of Canada and he arranged for a

meeting with them. I am advised by my colleague that in substance he was in substantial agreement with that brief. The main proposal contained in the brief was that a major inventory of water should be made in Canada. My colleague informed the engineers that such an inventory was already under way and that he would consider some of the means they proposed in their methodology.

As the hon. member undoubtedly knows, the association also proposed a Canadian water commission. My colleague replied that there was certain constitutional difficulty standing in the way, but he would also consider that. I think my own views are well known to the hon. member. I believe that we must have an inventory of our water supplies. We must find out what we need. I once said, at the risk of sounding un-Canadian, that for a change it would be useful to have facts before we had policy. I reiterate that here.

Mr. Herridge: I agree.

Mr. Turner: I think we should also make a survey of what our growth will be in order that we can assess what our use for water will be in the foreseeable future. This of course would be essential before we would be in a position to undertake any negotiations —if we agreed to undertake negotiations with the United States—because we would have to know what we have and what we would need. I would also put on record that in my view continentalism should not be part of the Canadian vocabulary.

I think the hon. member will agree with me. We are not only dealing with water quantity, the amount of water we have, but with water quality and water management. Of course the hon. member's views about pollution are well known and I applaud him for that interest, as I have done previously in the past. I think that despite the lack of clarity in the B.N.A. Act as to the respective jurisdictions of the federal government and of the provinces over water we should continue, as I think my colleague has done, to show leadership and initiative in this very strong national priority.

Motion agreed to and the house adjourned at 10.27 p.m.

[The following items were passed in Committee of Supply this day:]

DEPARTMENT OF THE SOLICITOR GENERAL

1, 5, 10, 15, 20

HOUSE OF COMMONS

Tuesday, June 27, 1967

The house met at 2.30 p.m.

PARLIAMENT HILL

FAILURE OF BAGPIPE BAND TO PARTICIPATE IN CHANGING OF GUARD

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, instead of putting a question of international importance I am asking the Minister of National Defence why it is that the highland pipe band is not appearing in the changing of the guard ceremony. Are they going to appear shortly or is that music, the finest this side of heaven, to be denied those attending this ceremony?

Hon. Paul Hellyer (Minister of National Defence): Well, I will have to take the question as notice, Mr. Speaker. I must agree with my right hon. friend that the bagpipes make very fine music, particularly since last Robbie Burns day when the pipers were put on a basis of equality with musicians in the Canadian Armed Forces. I also suggest to him that if he has not had a chance to hear the wonderful display of the bagpipes in the Canadian Armed Forces tattoo, he should do so because it would thrill Scotsmen of any national origin.

Mr. Diefenbaker: I am glad to see the note of reform in the minister indicated by this recognition, but I am asking about the changing of the guard on parliament hill. I am wondering whether the unification policy that the minister brought into effect has eliminated the highland band from the ceremony.

Mr. Hellyer: Mr. Speaker, first of all I can reassure the right hon. gentleman that the kilts and pipers are not affected by the unification policy in any respect.

Mr. Diefenbaker: Why are they not here, then?

Mr. Hellyer: So far as the reason no pipe band is on the hill at the moment is concerned, I will have to take that question as notice. I cannot answer it without finding out the facts.

Mr. MacEwan: A supplementary question to the minister. Now that the pipers are on an equal basis with other musicians, when is the minister going to allow them to play?

EXTERNAL AFFAIRS

VIET NAM—REQUEST FOR CANADIAN ACTION TO EFFECT CEASE FIRE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Prime Minister or the Secretary of State for External Affairs, and ask them whether they have received the statement which has just been released by three distinguished gentelmen who were formerly associated with the Department of External Affairs, Mr. D. V. LePan, former assistant under secretary of state for external affairs, Mr. A. F. W. Plumptre, who was assistant deputy minister of finance for international affairs, and Mr. Escott Reid, who has long been associated with the Department of External Affairs and was formerly high commissioner to India and Canadian ambassador to Germany.

The statement they have issued, Mr. Speaker, points out that although the primary objective of the government of the United States may have been the maintenance of freedom and self determination, they are convinced that this objective cannot now be reached by the means that are being employed. They ask—

Mr. Speaker: Order. Would the hon. gentleman kindly ask his question.

Mr. Douglas: Mr. Speaker, I was trying to remind the Prime Minister and the Secretary of State for External Affairs of the nature of the request that has been made. May I sum it up by saying they are asking that the Canadian government take a lead in soliciting other countries to make an appeal for a cease fire in Viet Nam in the hope that this will be the first step—

Mr. Speaker: Order. The hon. gentleman should ask his question.

Mr. Douglas: I want to ask the Prime Minister or Secretary of State for External Affairs what reply is being made to this request, and whether the Canadian government is prepared seriously to undertake a solicitation of other governments who may be interested in an attempt to bring an end to the war in Viet Nam.

Inquiries of the Ministry

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I may even take as long to answer this question as the hon. gentleman took to ask it. I have received the communication, Mr. Speaker; as a matter of fact I received it this morning. Indeed, I have already talked to Mr. Escott Reid about it, as he happened to be in Ottawa today.

As my hon. friend knows, the communication welcomes the government's efforts to promote a peaceful settlement in Viet Nam and is intended to reinforce these efforts. As I understand the proposals Mr. Speaker, they take for their starting point the need for negotiations on a cease fire and a peaceful settlement. To bring this about they look to a cessation of the bombing of North Viet Nam coupled, if that were possible, with the cessation of infiltration by North Viet Nam and a cessation of the build-up of the forces of South Viet Nam's allies.

These proposals do not in any way conflict with government thinking. We have always made it clear that we wanted to see the bombing stopped, but that we also wanted to see the infiltration stopped and negotiations started. I should remind the house, however, that proposals very much like these were made by President Johnson in his message of February 7 to President Ho Chi Minh. They were turned down by President Ho Chi Minh on February 15, on the familiar ground that an unconditional cessation of the bombing and all other acts of war against North Viet Nam would have to precede any talks between the two sides.

I want to assure the hon. member and the house that the government is not losing sight of the need to set in train the process of negotiation in Viet Nam. Nor will the house need to be reminded of the key importance which the government attaches to a halt in the bombing in paving the way for such negotiation. This will be clear from the proposal we advanced on April 11 and which we still see as offering a valid approach to a reversal of the course of events in Viet Nam.

Mr. Douglas: A supplementary question, Mr. Speaker. Considering that the statement of the three gentlemen in question differs from President Johnson's proposal in that it suggests an unconditional cessation of the bombing, and that the United States should express the hope that the North Vietnamese will stop its military build up in return for the assurance that the United States and its allies will act similarly, is the government of Canada prepared to give the lead to other countries which are also interested in trying to get a group of countries in the world to support a declaration asking for an unconditional cessation of the bombing in the hope that negotiations and a peaceful settlement will follow?

Mr. Pearson: Mr. Speaker, we have already, I think, indicated our position in this matter, most recently at the North Atlantic Treaty Organization council meeting a few weeks ago. I would, however, point out to my hon. friend that even an unconditional cessation of bombing has now been linked by the authorities of North Viet Nam, in certain of their more recent statements, with the withdrawal of United States forces as well, before negotiations can begin. I hope, Mr. Speaker, that we shall not continue to have this escalation in demands on the side of the north.

Hon. Gordon Churchill (Winnipeg South Centre): I have a related question to the Secretary of State for External Affairs, who has relied heavily on the international control commission for information from South Viet Nam. Can the minister tell us whether that commission is likely to produce a report in the near future, as it has not made a formal report for two years?

Hon. Paul Martin (Secretary of State for External Affairs): I do not expect that in the foreseeable future there will be a report by the commission that will be unanimously concurred in.

Mr. Starr: Will there be any kind of report?

MIDDLE EAST—POSSIBLE DISCUSSIONS WITH KING OF JORDAN

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I wish to direct a question to the Prime Minister. As King Hussein of Jordan has spoken not only before the general assembly but has also consulted with the President of the United States, are there plans for the Canadian government or the right hon. Prime Minister to discuss with him the refugee problem and the general Middle East situation?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we have not been able to ascertain the plans of the King of Jordan. If it were possible to have an exchange of views with him I should welcome that on behalf of the government. We are trying to ascertain what his plans are and how long he expects to remain on this side.

TRADE

ASSISTANCE TO INDUSTRIES AFFECTED BY GENEVA NEGOTIATIONS

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I wish to direct a question to the Minister of Finance which arises from the report in today's *Globe and Mail* of the speech he made at Jasper. Can the minister confirm that he indicated that certain industries might have difficulty as a result of the recent Kennedy round tariff negotiations, but that the government was prepared to give assistance to those industries? Can the minister say what categories of industries he has in mind and what sort of measures will be introduced to take care of the position of their workers?

Mr. Speaker: Order, please. The hon. member cannot ask questions about speeches made by a minister outside the house unless he asks the Prime Minister whether the alleged or reported statements are government policy.

Mr. Fulton: Perhaps I might be permitted to put the question accordingly, Mr. Speaker. Was the minister reflecting government policy when he made the statement to which I referred? If so, could he indicate the categories of industries which would be affected and the kinds of assistance the government has in mind?

Mr. Speaker: Order, please. The question is still out of order.

Mr. Fulton: Mr. Speaker, perhaps I could confine my remarks to the first half of the question as I put it the second time.

Hon. Mitchell Sharp (Minister of Finance): I have distributed copies of my address. While the words the hon. member has used seem to me to be reasonably accurate, I should not like to be responsible for them.

Some hon. Members: Oh, oh.

Mr. Sharp: I mean I do not want to be responsible for the interpretation the hon. gentleman places on my words; I prefer my own. However, there will undoubtedly be some difficulties arising out of the Kennedy round, and the government has already stated its intention to introduce legislation to facilitate the adjustment.

Mr. Fulton: Since the minister has confirmed the general accuracy of my version of his remarks, would he now indicate the kind of thing he has in mind, the type of difficulty he thinks may be encountered and particularly the type of measure the government has in mind to deal with the situation, because this matter is of increasing—

Mr. Speaker: Order. I think this question is too general in nature to be asked at this time.

PUBLIC SERVICE

PROCEDURE FOR DEALING WITH PERSONNEL EXCLUDED FROM BARGAINING UNITS

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I have a question to direct to the President of the Treasury Board. In view of the fact that Bill No. C-170, an act respecting employer and employee relations in the public service of Canada, was proclaimed on March 13, three and a half months ago, would the minister inform the house what steps the government has taken to establish special mechanisms and procedures to deal with salaries and other terms and conditions of employment of personnel excluded from bargaining units, as recommended by the special joint committee on the public service?

Mr. Speaker: Order. The question asked by the hon. member for York South is of the same nature as the one asked by the hon. member for Kamloops which was ruled out of order. I do not think it can be asked at this time.

Mr. Lewis: On a point of order, perhaps I did not put my question in such a way that it was clear to Your Honour. There was a recommendation by the special joint committee on the public service that a committee such as I described, or machinery of the kind I mentioned, be set up by the government within a certain limited period—six months, if my memory serves me correctly. My question was directed to finding out from the minister whether any steps have been taken to fulfil the recommendation made by the joint committee. It was not based on a newspaper report; it was based on a recommendation to parliament.

Mr. Speaker: I appreciate the point made by the hon. member, but it still appears to the Chair that this is not a matter of urgency to the extent that the question should be allowed at this time. In addition, the question appears to be of a general nature. The hon. member has himself referred to the fact that there is a period of six months within which certain action has to commence; and unless

that period has expired or is about to expire it is difficult to see how there is such urgency that the question should be allowed now.

Mr. Lewis: May I ask the minister a different question, one which I tried to avoid for reasons which will become obvious. Is the minister aware that officials of his department are alleged to have stated that nothing will be done about the setting up of such machinery. If so, can he inform the house whether those statements are correct?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): The statements are not correct. We made an undertaking to form a committee similar to the Frank committee, and we are proceeding to fulfil this undertaking. I can assure the hon. member it will be done well before the six months limit referred to.

CANADIAN CONFEDERATION

INQUIRY AS TO CABINET REPRESENTATION AT EXPO CELEBRATIONS

On the orders of the day:

Mr. Warren Allmand (Notre-Dame-de-Grâce): I have a question for the Minister of Trade and Commerce. In view of the fact that Canada will entertain the Queen in Ottawa on July 1, will the minister advise us whether there is to be any special celebration at Expo to commemorate the 100th anniversary of confederation and, if so, will any representatives of the cabinet be attending?

Hon. Robert Winters (Minister of Trade and Commerce): Yes, Mr. Speaker, there will be some special events at Expo in Montreal on July 1. During the morning celebrations there my colleagues and I will be detained in Ottawa because of the visit of Her Majesty, and the government will be represented by Hon. Lionel Chevrier. At the evening celebrations the government will be represented by the Minister of Manpower and Immigration and myself.

Some hon. Members: Hear, hear.

[*Later:*]

[*Translation*]

Mr. Georges C. Lachance (Lafontaine): Mr. Speaker, I have a question for the Minister of Trade and Commerce, which is supplementary to that put by the hon. member for Notre-Dame-de-Grâce a few moments ago.

[Mr. Speaker.]

In view of the fact that the government has decided to be represented by one of Canada's most worthy citizens, the Hon. Lionel Chevrier, in Montreal on July 1 would it be possible to know whether the government is making every effort to ensure that its representative will be identified as such, in the different ceremonies?

[*English*]

Mr. Winters: Yes, Mr. Speaker.

EXTERNAL AFFAIRS

REPORTED INVITATION TO VISIT SOUTH-WEST AFRICA

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In a recent report on world affairs published by the general council of the Commonwealth Parliamentary Association it was stated that in February the South African government invited all the diplomatic missions at Pretoria to visit South-West Africa in order to see for themselves the situation in that area. Was such an invitation received by the Canadian representative, and was it declined?

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

CAPE BRETON DEVELOPMENT CORPORATION

INCLUSION OF MCBEAN COLLIERY IN LEGISLATION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Prime Minister whether he has received a telegram from the officers and membership of the Canadian Brotherhood of Rail, Transport and General Workers in New Waterford, Nova Scotia, representing the salaried shot firers and deputy mine examiners employed at Dominion Coal Company Limited and Dominion Steel and Coal Corporation, regarding the closure of the McBean colliery. Is consideration being given to the inclusion of that colliery under the provisions of the Cape Breton Development Corporation bill, and will the Prime Minister say whether the request of these representatives for a meeting with the Minister of Energy, Mines and Resources, Premier Stanfield and the officers of the United Mine Workers, district 26, is acceptable to the government?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I believe that telegram was received and I think it has been answered. I shall check as soon as I get back to my office. Meanwhile the position of the government is as put forward the other day by the Minister of Energy, Mines and Resources. That remains our position.

Mr. Diefenbaker: Does the Prime Minister's answer mean that regardless of objections the McBean colliery will not be included under the Cape Breton development corporation?

Mr. Pearson: Yes, Mr. Speaker. All relevant matters were taken into consideration before that decision was made.

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, may I ask the Minister of Energy, Mines and Resources whether he has received a telegram from another branch of the same union, local 510A of Thorburn; and if he will not include this mine under the terms of the legislation, will he give some kind of commitment as to the future of the mine in order to clarify the situation for these people?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I made such a statement during the debate on the bill. As a matter of fact in answering these telegrams I also forwarded copies of *Hansard*. I have said we regretted it but that because of other circumstances we could not include that mine under the bill; however, we will do everything in our power to help if it is to be closed.

Mr. T. C. Douglas (Burnaby-Coquitlam): As a supplementary question, Mr. Speaker, may I ask the Minister of Energy, Mines and Resources and the right hon. Prime Minister whether they have received a request from the board of trade of Louisbourg asking that the railroad from Broughton Junction to Louisbourg be included in the legislation covering the Cape Breton development corporation?

Mr. Speaker: Order, please. It is difficult for the Chair to say that this third question, or second supplementary, cannot be asked. I wonder whether it would be in order to have too many members rising at this time to ask whether certain specific telegrams have been received. I would doubt whether this is in order.

Mr. Douglas: On a point of order, Mr. Speaker, this matter was raised last week. The government took it as notice, and it was stated that a statement would be made some time this week as to whether this part of the railroad was going to be included or whether it was going to be abandoned.

Mr. Speaker: I might suggest to the hon. member that in view of the fact that the bill will be before the house for consideration later this afternoon, the question might be asked and answered at that time.

[*Later:*]

Mr. Donald MacInnis (Cape Breton South): As a supplementary question, Mr. Speaker, in view of the answer given by the Minister of Energy, Mines and Resources I would now ask him would he agree to meet with a delegation from the U.M.W. so as to clarify the statement which he says is recorded in *Hansard*?

Mr. Pepin: Mr. Speaker, it is awfully clear in *Hansard*, and I could not add anything to it.

Mr. MacInnis (Cape Breton South): Would the minister meet with the union representatives?

Mr. Pepin: I have already said I would, but the bill must be approved first, and we cannot change the principle that the McBean colliery cannot be included in the legislation; because if we were to do so the federal government would be in the business of closing mines all over Canada when they have come to their natural end.

Mr. MacInnis (Cape Breton South): I would ask the minister one further supplementary. What is the difference between changing the principle of what is in the bill and changing the principle of the policy announcement already made?

Mr. Speaker: Order. That question might also be asked when we resume consideration of the bill.

AIR CANADA

REPORTED OPPORTUNITY TO OBTAIN FIVE NEW JET AIRCRAFT

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, my question is for the Minister of Transport. Last Thursday I asked the minister whether he would investigate a reported offer by TransAir Limited to Air Canada and the Air Transport Board of five new fully manned passenger jets. Can the minister now

tell the house what will be done about this offer?

Hon. J. W. Pickersgill (Minister of Transport): As a result of such investigations as I have been able to make it appears there is no such offer. Therefore there is not much I can do about it.

Mr. Sherman: I have a supplementary question. Is the minister not aware that TransAir has made application to purchase five new fully manned passenger jets and is backed in this undertaking by R. W. Pressprich and Company of New York, and that the jets are on order?

Mr. Speaker: Order. The question is argumentative.

CANADIAN NATIONAL RAILWAYS

REPORTED OVER-SELLING OF SEATS BETWEEN TORONTO AND MONTREAL

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of Transport. Would the minister make inquiries of the president of Canadian National Railways with respect to complaints concerning the over-selling of seats on trains between Toronto and Montreal, also the sale of seats which are non-existent. This situation is causing a serious danger to the health of the elderly people and children who are involved in these complaints.

Mr. Speaker: Order. The hon. member is making a representation, but I doubt that it is a matter which should be raised in the form of a question at this time.

POST OFFICE DEPARTMENT

REQUEST FOR HOLIDAY FOR OPERATING STAFF ON JULY 3

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 fact that the government has proclaimed July 3 as a legal holiday, and in view of the fact that parliament itself is going to take that day off, will the Prime Minister look into the request of the Canadian Union of Postal Workers that the operating staff of the post office also have a holiday on that day?

Right Hon. L. B. Pearson (Prime Minister): My impression, Mr. Speaker, is that they do have that day as a holiday.

INDUSTRY

REQUEST FOR ASSISTANCE FOR CANADIAN FILM PROCESSORS

On the orders of the day:

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I have a question for the Minister of National Revenue. In view of the discriminatory directive which permits Canadian film to be processed in the United States and admitted to Canada duty free while Canadian film processors must pay duty on processing equipment, chemicals and supplies entering Canada, thus making it impossible for Canadian film processors to compete with United States prices, is the Canadian government considering changing the regulations to correct this discriminatory practice so that in this centennial year Canadians will be able to compete in respect of the large photographic business resulting from Expo and the centennial?

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

Mr. Brand: With all due respect, Mr. Speaker, I must point out that Canadian film processors are having difficulty now because of the centennial year business. July 1 is only a few days away and they are faced with this type of thing from the United States, which even contains an Expo symbol on the United States document.

Mr. Speaker: Order. The hon. member knows that if I am in error on the question of urgency, the matter can be taken up within a few hours.

VETERANS AFFAIRS

INQUIRY AS TO INCREASE IN DEPENDANTS' ALLOWANCES

On the orders of the day:

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, I have a question for the Minister of Veterans Affairs, but in his absence perhaps I may be permitted to direct it to the Prime Minister. In view of the many representations which have been made in respect of help for dependants of veterans who were not included in the last pension increase, would the Prime Minister now tell the house that something will be done? This is a matter which has been the subject of many complaints over the last three months.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I shall be very glad to take up this matter with the minister right away.

COMMONWEALTH RELATIONS

SUGGESTED CREATION OF COMMONWEALTH CITIZENSHIP

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker I should like to address a question to the right hon. the Prime Minister. Her Majesty the Queen will be here very soon, and I think she deserves a warm welcome. The only regret I have is that the hon. member for Carleton (Mr. Bell) wants to abolish the royal prerogative of dissolution.

My question is as follows. Does the Prime Minister intend to propose to Her Majesty the creation of a commonwealth citizenship from which all inhabitants in that organization would benefit, and which would mean the end of the subject status?

Mr. Speaker: Order, please. I doubt very much that this question is in order at this time.

[*Translation*]

Mr. Choquette: I rise on a point of order, Mr. Speaker. I think that the Queen does not come to Canada very often. Second, I think that if there is some uneasiness in Canada it is due to a rather widespread failure to give a Canadian look to Canada, and that is why I think that it is a very timely and very urgent question, because the Queen will not stay long in Canada.

[*Later:*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I would like to direct a question to the Prime Minister.

Following the intervention this afternoon by the hon. member for Lotbinière (Mr. Choquette), whose views on the monarchy seem to have undergone a complete change, does the Prime Minister intend to have the hon. member for Lotbinière accompany Her Majesty the Queen during her trip to Expo in Montreal?

[*Later:*]

Mr. Choquette: Mr. Speaker, I rise on a question of privilege which is most justified.

I have not changed my mind in the least; on the contrary, I am merely asking whether Her Majesty will be asked, on the occasion of the centennial confederation, to abolish the status of British subject, because we are proud to be Canadians.

Mr. Speaker: I do not think that can be considered as a question of privilege.

[*English*]

CANADIAN CONSTITUTION

REPORTED STATEMENT RESPECTING CONSIDERATION BY PARLIAMENTARY COMMITTEE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question I should like to ask the Prime Minister. Can the Prime Minister say, in the light of his own statement of May 10 that constitutional studies are being undertaken by the government as a basis for consultation with parliament, whether the Minister of Justice was speaking for the government when, as I am informed, this morning he told the committee on justice and legal affairs that the constitutional studies which are being prepared for the government would not be submitted to that committee or to any other committee of the house.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the hon. member should not try to create a difficulty like that between myself and the Minister of Justice.

Mr. Diefenbaker: You should read some of his speeches.

Mr. Brewin: I have a supplementary question. Has the government changed the policy which has been stated from time to time by the Prime Minister, that in due course the question of constitutional change will be referred to a committee of the house.

Mr. Pearson: No, Mr. Speaker; in due course that will be done.

IMMIGRATION

PREPARATION OF REGULATIONS COVERING PROCESSING OF APPLICATIONS

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Could the minister inform the house whether the principles he outlined before the parliamentary committee are now being applied in respect of the processing of immigration cases, or will such application depend upon the passage of special legislation?

Hon. Jean Marchand (Minister of Manpower and Immigration): No, Mr. Speaker; we are working on those regulations, and I hope that in a short while they will be applied. However, we are still following the old policy.

Inquiries of the Ministry

Mr. Dinsdale: I have a supplementary question, Mr. Speaker. Is the minister aware that he could deal with some of the discriminatory aspects by order in council without a change in the regulations?

Mr. Speaker: Order.

LABOUR CONDITIONS

CAPE BRETON—STOCKPILING OF STEEL TO PERMIT RE-EMPLOYMENT

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, may I ask a question of the right hon. the Prime Minister. Is he going to ask leave of the house to revert to motions to allow him to make a statement on the question of the stockpiling of steel at the Dosco steel plant at Sydney?

Right Hon. L. B. Pearson (Prime Minister): I do not think it will be necessary to revert to motions, because shortly we will be discussing the bill. I believe that during the discussion in respect of clause 22 it would be a very good time to make a statement on this matter, which could be a little longer than any statement which might be made on motions.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, the Prime Minister has indicated that when we are discussing that bill we can discuss steel, but I fail to find anything in the bill which concerns itself directly with the steel question or the policy statement which was promised to the delegation which came here from Cape Breton. This statement was promised for today, and in Cape Breton the people are patiently waiting for the result of that promise.

Mr. Pearson: It will be made today. However, I think during the discussion of the bill would be the proper time to make a statement, because the bill is very much related to the direct question.

TRADE

REQUEST FOR REPORT ON GENEVA TARIFF AGREEMENTS

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.): Mr. Speaker, I should like to direct a question to the Minister of Finance. Since it has been intimated to the house that we will be sitting during the second week of July, I wonder whether the government will be able to bring to this house a report on the recent agreements at Geneva.

[Mr. Marchand.]

Hon. Mitchell Sharp (Minister of Finance): The answer to that question, Mr. Speaker, is yes.

VOCATIONAL AND TECHNICAL TRAINING

INQUIRY AS TO COMPLAINTS RESPECTING PROGRAM

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration whether he has received any complaints about the occupational training plan for adults from the manpower centres or individuals, particularly having regard to the inadequacy of this program?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, I have not personally received any complaints but I have heard of some which have been referred to in the department. I cannot be more precise than that.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I have a supplementary question. I should like to ask whether the minister has signed the agreement with the province of Ontario in relation to this act.

Mr. Marchand: No, Mr. Speaker. We are still discussing the regulations, and I hope this agreement will be signed soon.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a supplementary question regarding the same subject. Will the minister check with Mr. Stewart, his regional director for the maritimes at Halifax? I am sure he will find he has received numerous complaints.

TRANSPORT

INCREASE IN FERRY RATES, NEW BRUNSWICK-PRINCE EDWARD ISLAND

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is for the Prime Minister. Yesterday we asked a number of questions of both the Minister of Transport and the Prime Minister in an attempt to gain some satisfaction on this question of an increase in transportation rates in respect of the province of Prince Edward Island. At that time the Prime Minister agreed to consult with the Minister of Transport. In view of the fact that this increase is scheduled to come into effect on July 1, a significant date, I

wonder whether the minister can now give us some satisfactory information.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not sure whether our consultations have reached the point that the minister is ready to report. If he is not ready now I hope he will be ready tomorrow.

Mr. Heath Macquarrie (Queens): Mr. Speaker, my question is also for the learned and reasonable Minister of Transport. Will he before this consultation has concluded give consideration to delaying this increase until those organizations and individuals which indicated their intention to appear before the commission of inquiry, which has now been abandoned, have a chance to give him their views?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I would have to consider very carefully the question of the honourable and, in the proper sense of the word, learned gentleman. I will, of course, give his question all the consideration it merits.

CRIMINAL CODE

SUGGESTED AMENDMENT RESPECTING BREATHALIZER TESTS

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I should like to direct a question to the Minister of Justice, having in mind the recommendation of the Canadian Automobile Association, an organization with close to a million members, calling for the establishment of mandatory breath tests for all drinking drivers. Will the minister indicate whether we may expect a decision on this matter before the end of the present year?

Hon. P.-E. Trudeau (Minister of Justice): Yes, Mr. Speaker. The question has been processed by my department, and this matter is scheduled to come up for legislation after the summer recess.

WATER RESOURCES

STUDY OF ELIMINATION OF POLLUTION IN NAVIGABLE STREAMS

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the serious pollution of our rivers, has the government any active plans for studying methods of eliminating pollution from our navigable streams which come under federal jurisdiction?

Mr. Speaker: Order. The hon. member for Lisgar is reiterating a question asked yesterday by the hon. member for New Westminster. At the time the suggestion was made that it be placed on the order paper.

Mr. Muir (Lisgar): Mr. Speaker, I wonder whether I may rephrase my question. Has the federal government any plan to co-operate with the provinces in the elimination of pollution from our streams?

Mr. Speaker: Order, please. I must reach the same conclusion in spite of the hon. member's rephrasing of the question.

CANADIAN CITIZENSHIP ACT

AMENDMENTS RESPECTING RESIDENCE REQUIREMENTS, APPEAL COURT, ETC.

The house resumed from Wednesday, May 31, consideration in committee of Bill No. S-4, to amend the Canadian Citizenship Act, Mr. Batten in the chair.

The Chairman: Order, please. When the committee arose on May 31, clause 1 was under discussion.

On clause 1.

Mr. Béchard: Mr. Chairman, in view of the fact that neither the minister nor I had an opportunity the other day to make any statement about this bill, and in view of the complaints of some members in this regard, I should like the permission of the committee to make a short statement.

My remarks on the introduction of this bill need not be very long because the amendments proposed to the Citizenship Act are of a kind with which I am confident we can all agree, and which in our centennial year seem to me, at any rate, to be especially appropriate. Basically they are designed to remove grounds of discrimination which exist between natural born and other Canadians; to relax the language requirements for applicants who because of their age have difficulty in learning a new language; to provide flexibility in the requirements concerning residence in Canada before a person applies for citizenship, and to provide for a citizenship appeal court. In addition there are a number of amendments of a technical nature relating to persons of Newfoundland origin and with regard to procedures, the regulation-making power and the penalty provisions.

With regard to the matter of discrimination, I am recommending that the provision in the act whereby other than natural born Canadians lose their citizenship on residence for ten years or more outside of Canada be eliminated.

Several members, I am sure, have come across cases of people who have been granted citizenship, who live outside of Canada for good and sufficient reasons, and who suddenly find they have lost their citizenship. While it has been possible to allow them to resume their status, the confusion, the problems and even hardship which this provision has created seem to me quite unnecessary, and the provision has been discriminatory. Also on the point of discrimination, natural born citizens are not liable to loss of citizenship by reason of failure to return to Canada to face charges of treason under the Criminal Code or offences under the Official Secrets Act. This amendment will place other than natural born Canadians on the same footing in this connection as their fellow citizens who have natural born status.

Having regard to residence, under the act as it now stands an applicant must have "acquired Canadian domicile" and have resided in Canada for one year immediately preceding the date of his application. Canadian domicile is defined by reference to the Immigration Act, and means that a person acquires Canadian domicile when he has his place of domicile in Canada for at least five years after having landed in Canada.

• (3:20 p.m.)

The amendments the bill is suggesting will do away with this concept as a requirement for becoming a citizen. In its place there will be a requirement that a person must be a landed immigrant and have resided in Canada for five out of the eight years prior to his application. Generally speaking, this means immigrants will be eligible for citizenship five years after landing. However, we are proposing an important additional change by providing that a person who has resided in Canada before becoming a landed immigrant may count half that period toward the residence required after being landed. There will also be provided an additional element of flexibility in that the requirement of residence for one year immediately prior to application will be changed to a period of 12 months in the 18 months before application.

Amongst the requirements on which an applicant for citizenship must satisfy a court is that of language. He must have an adequate knowledge of either of our official languages or, if not, have resided continuously in Canada for more than 20 years. The courts have been reasonable in the interpretation of this provision and generally speaking they consider persons qualified in this respect if their knowledge of one of our languages is adequate to their particular circumstances whatever they may be. Nevertheless there are cases particularly of older people, who find it quite difficult to learn one of our languages and they cannot therefore satisfy a court on this point. They do not have to if they have resided in Canada for 20 years. This bill recommends that the period be reduced to ten years in the case of a person who immigrated to Canada at the age of 40 or over. We are also proposing that the language requirement be waived if an applicant is the spouse, widow or widower of a Canadian citizen.

Suggestions have been made from time to time that when a person's application for citizenship has been refused by a court there should be an opportunity for him to appeal to a higher court to prove that he does possess the required qualifications and is a fit and proper person to be granted citizenship. While there have been only a few such cases in recent years, the government nevertheless agrees with this view. Accordingly, we are proposing the establishment of a citizenship appeal court consisting of a judge of the exchequer court to hear appeals from negative decisions of citizenship courts. The citizenship appeal court will be a court of record and will, as I have indicated, be empowered to hear and determine all appeals from final decisions of courts that an applicant is not a fit and proper person to be granted citizenship. It will also be empowered to hear appeals at any place in the country.

I should note at this point that the discretion to grant citizenship will still remain with the minister. Citizenship has always been a privilege bestowed by a country, and not a right of the person who seeks it. Let me say at once, however, that we are very glad to have persons become citizens of this country, to do what we can to facilitate in every possible way the granting of citizenship to those who apply and are qualified for it, and particularly to ensure that those who apply are heard fairly and their cases considered carefully.

The remaining provisions of the bill are of a technical nature and relate largely to procedures on which explanation, if members wish it, will be dealt with in committee where we now are. I should perhaps mention one matter

of special interest to Newfoundlanders. After Newfoundland came into confederation the Canadian Citizenship Act was changed with the intention that the full terms of the act be extended to Newfoundland in accordance with the terms of union. However, despite the fact that the authorities at the time thought they were extending the complete terms of the act to cover people of Newfoundland origin, doubt was raised that this intention was in fact carried out. We are therefore including amendments in this bill which we are assured by the lawyers will indeed make certain that the complete provisions of the citizenship act cover people of Newfoundland origin.

The minister has not long had the responsibility for the administration of the citizenship act, but one thing she has discovered since she has had this responsibility is that it is an extremely complex law of a rather esoteric nature. The amendments we are recommending will result in considerable improvements, but we must remember it is 20 years since the law was first put on the statute books and it has been amended from time to time to fill gaps. Therefore, if the house approves this measure the minister will ask her officials to stand back and take a searching look at our citizenship concepts as embodied in the act and regulations, and as they have come down from previous naturalization laws, with a view to seeing whether the whole scheme should be revised to meet modern circumstances and conditions. Because this is a comlex subject and because the status and rights of individuals are involved, we doubt that this can be done quickly, but the minister intends to spur the project on.

Mr. Chairman, I wish at this moment to try to reply to questions asked by hon. members the last time we studied this bill in committee. The hon. member for Royal dealt with the registration of births abroad; he was concerned about that matter. I dealt with this problem when a private member's bill introduced by the hon. member for Carleton was studied by the house. I wish only to emphasize at this point that registration not only serves a useful administrative purpose but it is also very much in the interest of the person himself. Such registration provides clear evidence to that person that he is a Canadian. It assists him to enter Canada easily and it enables him to identify himself in the future to Canadian authorities abroad should he ever need to do so. From the administrative point of view, it quickly enables a Canadian official to identify a person who is a Canadian and thus perform any services which are requested of him.

This is not to say that the present system is perfect and might not be improved. However, there are implications for other departments as well as this one and these would have to be taken into account in proposing any changes. I can assure the hon. member that this matter will be reviewed promptly.

The hon. member for Royal also dealt with the matter of the revision and consolidation of regulations. The minister and the department recognize the validity of the point made that the regulations need revision and tidying up. We are giving priority to this task and hope to have results in the relatively near future.

With regard to the humanitarian interpretation of the act, which matter was also raised by the hon. member for Royal, I agree with him in this respect and the minister proposes to bring to the attention of the courts the remarks made on the matter in this debate.

Several hon. members referred to booklets which have been published for the instruction of new citizens. These booklets are not produced, by the way, in the citizenship registration branch but in the citizenship branch of the department. A number of them are made available to prospective citizens when they call at the court offices. We are glad to have hon. members' views on them. Perhaps I should say that the booklets seem to appeal to a significant portion of the public, because aside from the free distribution to newcomers they are offered for sale at a nominal cost of from 35 cents to 50 cents by the Queen's printer and have consistently rated high on the Queen's printer's best seller list.

• (3:30 p.m.)

With regard to the guide to Canadian citizenship which was specifically mentioned, I should emphasize that a judge may ask any questions he likes when examining an applicant. This booklet is, as it says, only a guide. It was produced several years ago and I believe the time has arrived when consideration should be given to whether any booklet at all is required or if the text of the existing one should be substantially revised. In any event, I want to assure hon. members that we will be glad to reconsider and review the whole matter and undertake to do so.

The hon. member for Norfolk referred specifically to the new booklet for the use of

immigrants. This is to be a presentation booklet to people who have recently become Canadians. I am glad to say this booklet has been completed and has been distributed either yesterday or today.

The suggestion was made by the hon. member for Oxford that a booklet should be prepared on the operations of parliament, which seems to me to be a good suggestion. It may be that some work in this area has already been done in the Speaker's office. In any event, I intend to ask the officials of the department to study this possibility.

Mr. Bell (Carleton): Mr. Chairman, our centennial of confederation is but five days away. How fitting and appropriate, therefore, it is that this afternoon we should be discussing Canadian citizenship. I had hoped that the proposals of the government in the citizenship bill would have been imaginative and vigorous, a genuine call to arms for the Canadian nation. Instead, this afternoon what we have before us rather than a full revision of the Canadian Citizenship Act is a patchwork bill, a most pedestrian measure. It is an ad hoc bill, an improvisation in every particular. I suggest that by this timorous and uncertain legislation the Secretary of State has lost a tremendous opportunity to speak out for Canada on the eve of the centennial. Missed opportunities are seldom recaptured. I regret especially the failure of the government to seize this special opportunity to express our pride in Canadian citizenship.

The parliamentary secretary has laboured hard this afternoon to clothe this bill with a distinction it assuredly does not possess. Today it is hardly fashionable to talk of citizenship or nationality. Allegedly sophisticated people do not believe in it. I am sufficiently old fashioned, sir, to have great pride in nationality and in citizenship. I like the words which the Minister of Transport used in his address at Memorial University on May 19, 1967. I put them aside for just such an occasion, and although I would rarely quote the Minister of Transport I want to do so on this occasion:

> In many quarters today, pride of nationality is no longer fashionable. Nationalism is called an evil thing. There are many who say, and perhaps more who think, we should cast aside all local or national ties and become "citizens of the world". I agree with those who say that the only hope for humanity is that all or most of the inhabitants of the globe should learn to be citizens of the world, with a sense of responsibility to all their fellow human beings. But I do not believe that to become a good citizen of the world, one has to give up narrower loyalties. No one seriously argues that the world would be a better place if all men and women lost their distinctive individual personalities and became indistinguishable one from another. Nationality is nothing more than the collective personality of a group of people. I am convinced that collective personalities, both national and local, are just as essential to human happiness and a good life as individual personalities. In my view, nationalism, which is the sense of common nationality, is harmful only when it is directed to harmful ends like the promotion of racial hatred and aggression against other nations.

I believe these are wise words from the Minister of Transport. They reflect completely my view of citizenship and nationality. I believe they are totally in character with the first speech from the throne delivered in this parliament by Lord Monck on November 7, 1867. I want to take a moment to read the second paragraph of that speech from the throne:

> 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 foundation of a new nationality, that I trust and believe will, ere long, extend its bounds from the Atlantic to the Pacific ocean.

Who wrote those words, "a new nationality"? Those were the words of Thomas D'Arcy McGee. They were adopted by Sir John A. Macdonald and they were put in the first speech from the throne. Those words were approved by the first cabinet, a cabinet which consisted of many of the fathers of confederation, the architects of this nation. They were men of French heritage, of Scotch, Irish and English heritage. What they said, and what they sought for this nation, was a new nationality, a nationality not French, not Anglo-Saxon, not Scotch, not Irish, not Welsh and not of any other old land, but one which bore proudly and u n i q u e l y the name "Canadian".

This is the approach I take to this bill and that is where I think the deficiency of this bill lies, that on the eve of confederation there is not the inspiration in the bill that is needed in these particular circumstances. I confess to some of my friends who are of other national backgrounds than mine that what irritates me most is that French speaking Canadians lump me in as Anglo-Saxon when my heritage is Irish and my people were Irish rebels long before the French ever stirred from the sleep of medievalism.

If I may use the words of Frank Underhill, the new nationality was to "include and transcend the two groups of English speaking and French speaking Canadians." I believe a reiteration of some of the words Underhill used

in the Massey Lectures of 1963 on "The Image of Confederation" would be useful at this time:

> 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.

I underline the words "include and transcend".

> That is, it was a complex nationality; and they were well aware of their own boldness in the initiation of this experiment.

This, sir, is the type of boldness I wish we had demonstrated in this bill this afternoon. I wish it really represented a leap forward into that new nationality contemplated and forecast in the first speech from the throne.

I should like to congratulate the officials of the department upon the new booklet which was distributed yesterday to members of parliament and which is to be distributed to new citizens hereafter. I believe it is an excellent production. I think it is exceedingly worth while. I believe it will give that feeling of unity which all new citizens should have, that feeling of belonging which is so important to someone who has just taken the oath of allegiance.

• (3:40 p.m.)

I hope that when these presentations are made, judges of the citizenship court will fully appreciate the responsibilities which are theirs. I have spoken of this before in the house, and the hon. member for Royal spoke of it the other day. I do not think there are any officials in our country who have a heavier responsibility to display human, warm understanding of the problems of the people who are before them than the citizenship court judges. They can and ought to convey a real welcome to those who have done our country the honour of accepting our citizenship, we having given them the privilege of being citizens of this nation.

I have heard many complaints about a very few of the judges of the citizenship court. There is one citizenship court the judge of which I should have fired when I was minister of citizenship and immigration, and I still say he should be fired. In this locality this man is doing damage to the whole image of Canadian citizenship, and I hope he can either be properly disciplined or else his services properly dispensed with by the governor in council.

The parliamentary secretary said that this bill had four purposes. I think it is more noteworthy for its omissions than for what it does. I think the most significant omission is with respect to the lack of provisions relating to the citizenship of children of Canadian citizens born outside Canada. Again I venture to draw to the attention of the parliamentary secretary Bill No. C-2 which I introduced and which has been commented upon favourably by literally hundreds of persons in the armed forces and the diplomatic service. This bill deals with the question of children born outside Canada.

As the committee knows, at the present time a child born outside of Canada of a member of Canada's armed forces or a member of the diplomatic or other public service or the representative or employee of a Canadian firm or organization serving or engaged outside Canada will lose his citizenship unless two things are done. The first is that the birth has to be registered at a Canadian office abroad within two years. Second, between the ages of 21 and 24 that person must file a declaration of retention of Canadian citizenship.

There are today many thousands of Canadians serving or engaged outside of Canada, and I believe there are many children born out of this country who are likely to lose their Canadian citizenship unwittingly. I think that to place the children of Canadian citizens who are serving their country abroad either in the armed forces or diplomatic service in a different category from children of Canadians serving or engaged at home is discriminatory and a genuine hardship both to parents and children. I have had many descriptions of such hardship from members of the diplomatic service and armed forces who have told me that child No. 1 was born in Canada, that child No. 2 was born outside of Canada, that child No. 3 was born in Canada, that child No. 4 was born outside of Canada, and so on. Some of these children have one type of status as Canadian citizens and others a different status. I just do not believe that this is good enough.

When we come to the question of the repeal of section 18, Mr. Chairman, I may have something further to say about the grounds of discrimination because I do not think that in this particular the government has gone far enough.

I should like to speak for a moment or two about the citizenship appeal court. The provision for appeal is, of course, an advance, but I wish that the Secretary of State had gone the full distance as did the Minister of Manpower and Immigration with respect to the immigration appeal board. What you will note here in respect to the citizenship appeal court, sir, is that there is no interference whatever with the discretion vested in the minister. Therefore the principal problem, which is that of security, is not touched on by this bill.

The hon. member for Matapédia-Matane has spent agonizing hours, as I have, in dealing with these very difficult security cases which come before the minister. Personally I do not think the bill in its present form is adequate; it provides simply for an appeal from the court, leaving the final discretion to the minister. This is exactly the opposite of what was done with the immigration appeal board, and I venture to suggest that the model of the immigration appeal board should be incorporated in this bill.

I wish only to reiterate that I am sorry there is not in this bill that clarion call to pride in Canadianism that I think there ought to have been today, five days before our confederation celebration. What I do not understand is why Canadian history and tradition are so badly taught in this country. Why are they not taught with that sense of drama and colour that I believe is so important in creating a genuine nation? Why do we as Canadians undersell our own history? I venture to suggest that it is as exciting, as dramatic, as full of courage as is to be found anywhere in the world. The story of our explorers is far more noteworthy and inspirational than the similar story in the United States, Australia or other countries of the world.

What we are not doing in this country is getting this story across to our younger generation. We are not teaching our youngsters to take a real, genuine pride in citizenship. I do not speak of chauvinism; I have no use for that. But I do believe in love for the soil of the nation, and this is what I think we should get across.

Recently I had a conversation with one of the senior ambassadors to Canada, and perhaps I am identifying him when I say that he knows Canada better than most Canadians. After all his travels around the world and across Canada he came to this conclusion. He said that if the full, exciting, dramatic story of Canada were told in all its colour, it would go further than anything to explain the French to the English, each to the other, and Canada to the world. That, sir, is the type of clarion call that I think should be contained within the bill. That is the type of pride in our nationhood that I hope we can express on the first of July, one hundred years after our confederation.

Mr. Prittie: Mr. Chairman, I want to take advantage of clause 1 for a moment to pose a question which the parliamentary secretary will have a chance to think about and perhaps discuss with his officials before we reach the clause that I have in mind. My question has to do with the clause setting up the citizenship court of appeal. When we get to that clause I would appreciate some explanation of how this court of appeal is to operate. I am very anxious to know whether persons appearing before the citizenship court of appeal will be given the reason if their applications for citizenship have been refused. I take it for granted that these persons can be represented by counsel, but it would seem to me that counsel would be completely in the dark if he were not given the reason for refusal of citizenship in the first instance.

I notice that in the clause setting up the citizenship court of appeal there is a subclause which provides that, subject to the approval of the governor in council, the court can establish its own rules and procedure. I am not going to say that the court of appeal will be useless unless the point I have just made is accepted, but in many cases, particularly those involving security, unless the lawyer or person appealing knows the reason for refusing the citizenship application there will be little point in appealing. I agree with the point made by the hon. member for Carleton about the minister's discretion. That is another matter. But when we come to the appropriate clause I should like to hear some explanation from the parliamentary secretary of how the citizenship court of appeal is to operate and whether the appellant will have the right to know why his citizenship application was refused in the first instance.

• (3:50 p.m.)

Mr. Olson: Mr. Chairman, I want to say a few words on this bill, particularly in response to the admonition of the hon. member for Carleton that Canadians are not proud of Canada and have no justifiable pride in Canadian history and traditions. I say to him that in western Canada we have a deep sense of pride in our Canadian history and traditions and in the contribution that western Canadian pioneers have made to this great

country of ours. I am somewhat disturbed by the suggestion of the hon. member for Carleton that there is a deficiency in the pride of Canadians in Canada as a nation. I do not accept his admonition or the premise on which it is based.

The people of southern Alberta whom I represent have a deep sense of pride in Canada. We regard our history, albeit short, as being as significant and thrilling, as colourful and exciting, as the history of any part of the world. The traditions we have developed in our short history are important to our young and to those who first settled the area. The people of Alberta, particularly those of southern Alberta, feel gratitude toward and are proud of the pioneers who came to southern Alberta 70, 80 or 90 years ago to work the land and create the communities, cities, towns, in fact, the province, that we have today.

Alberta is an important part of Canada. I listened to the hon. member and tried to determine why he spoke as he did. Perhaps one reason is that we in western Canada recognized Canada as a nation a long time ago while other parts of Canada still considered this country a colony. Perhaps these other parts of the country are finally realizing that Canada is a great nation with a proud history and proud traditions and with a pride in its pioneers equalled by no country in the world.

I will not go into the details of the bill but I should be remiss in my duty if I did not answer the charge, if one wishes to call it such, that Canadians are less than full citizens with something less than the full pride that goes with being Canadians. In that part of Canada from which I come there is no deficiency of pride in this country nor in its history, traditions and the achievements of its pioneers.

Mr. Bell (Carleton): Obviously the hon. gentleman has totally misunderstood the tenor and purpose of my remarks.

Some hon. Members: Hear, hear.

Mr. Olson: Not at all.

An hon. Member: Shame.

Mr. Olson: Look in *Hansard* and read what the hon. gentleman said.

Mr. Gray: Mr. Chairman, when this bill was last before the house I had the privilege of speaking generally in support of its provisions to strengthen the concept of Canadian citizenship as a major effort of the government during this, our centennial year. I wish to draw to the attention of the parliamentary secretary, however, that in his remarks he did not deal with the point I raised concerning what I consider to be a possible omission in the bill. I pointed out that the bill did not make clear that a person whose conscience called upon him to do so could affirm rather than take an oath. I must say that personally I would have no objection to swearing an oath, but there are people in this country whose religious beliefs are such that they prefer to affirm rather than to swear a solemn oath.

This matter was dealt with in the courts of this country after an embarrassing incident involving some people of Dutch origin, I believe, in the Hamilton area. In spite of the possible reassurance provided by the court decision in this question, I would think that for greater clarity and greater certainty it would be consistent with our Canadian traditions of human rights that this be spelled out very clearly in the bill so that people whose religious beliefs do not permit them to take an oath in the form acceptable to most of us may be permitted solemnly to affirm rather than to take an oath. There is provision for affirmation, I believe, in the Interpretation Act. I hope we will have some answer on this point from the parliamentary secretary.

I would also like to draw to the attention of the parliamentary secretary and the committee the fact that in spite of his comments about the importance of the booklets produced by the government to inform prospective Canadian citizens and Canadian citizens generally about our system and form of government, several booklets are presently being sold—in fact they are sold right here in the parliament buildings—that have certain rather serious defects. These booklets, I would gather, are being made available not only to tourists who pass through these buildings and to people who purchase them from the Queen's printer's book stores but obviously to people who are preparing themselves to take the examination for Canadian citizenship.

Just as this debate began I went to the foyer where there is a small counter selling a number of booklets about Canada—an excellent idea—and I purchased two of them. One is entitled: "How Parliament Works. An Examination of the Functioning of the Parliament of Canada." It is written by Mr. Hopkins, law clerk and parliamentary counsel of the Senate of Canada.

I say at the outset, that this booklet, in spite of the comments I am going to make about it, is in my opinion generally the best short treatment of the technique or form in which parliament conducts its business. My complaint is that in spite of the very important changes which have taken place in our rules over the past several years we have not seen fit to make it possible for this book to be revised since 1957. It has been reprinted a number of times, the latest reprinting having been in 1966. But according to what is printed right at the beginning it was last revised in 1957. It is rather interesting to note the words in the foreword indicating that the original brochure was first published in 1953:

> The original brochure is not only out of print, but since the first printing two factors have combined to render it somewhat out of date. In the first place, Her Majesty, Queen Elizabeth II, is now the reigning monarch of Canada. Secondly, in 1955 the House of Commons adopted by unanimous vote the most important set of procedural reforms since confederation.

Since there has been no revision of this book of any kind since that time in 1957 there is, of course, no reference to the changes which have taken place since 1957. The book, for example, speaks of private members' days rather than private members' hours. It refers to the standing committees under their old names before the rules were revised about two years ago.

I want to make it clear that I am not criticizing the efforts of the learned counsel and law clerk of the Senate of Canada. I say that this is perhaps the best short treatment I have seen about the technique or operation of parliament. But criticism has to be advanced to some extent based on the fact that permission has been given for thousands of copies of this book to be sold across Canada through the Queen's printer and in this very House of Commons to visitors and to people from other countries, the result being that they obtain an impression of the technique of parliament which is not consistent with what is really happening.

• (4:00 p.m.)

I recognize that this booklet published by the Queen's printer may not come strictly within the jurisdiction of the citizenship branch, but I would be very surprised if it were not used in helping people prepare for their Canadian citizenship test. We are certainly justified in complaining about the way in which the history of this country and our system of government are taught in schools across Canada. For obvious constitutional reasons we may not have the control over this situation that we might like to have. But this is something we ourselves can deal with. I hope my words here will be brought to the attention of the proper quarters so that this book may be revised immediately and those purchasing it may be able to get an idea of the actual rules under which the house operates at the present time. Again let me mention that generally speaking the discussion in Mr. Hopkins' booklet of the flow of legislation through the house, the three readings and so on, is accurate and up to date and it is a very clear, short statement of this procedure.

I wish to conclude my remarks by bringing to the attention of the committee something even more closely related to the working of the citizenship branch. I also purchased at the bookstore in the foyer a booklet entitled "Our System Of Government". It is part of the Canadian citizenship series and this edition, first published in 1948, has been revised to October, 1966. My comment with respect to this booklet is that while what I am about to quote may be correct in a narrow technical sense, these extracts could give a misleading impression to someone relying on this book, which I think is obviously designed for the training or I should say for the preparation of those about to take their citizenship tests, from looking at the questions and answers at the back.

Briefly, I wish to direct the attention of the committee to these comments in the booklet, first with reference to the cabinet. It says:

> The cabinet is, in fact, a committee of the Privy Council which is provided for in the British North America Act. Privy Councillors are chosen and summoned by the Governor General, on the advice of the Prime Minister. Cabinet ministers are selected from among the members of the Privy Council and they head the various departments of government. It is the normal practice for ministers to have a seat in the House of Commons in order that they may report directly to the members of the House.

I suppose this is technically correct but it would seem to me that it should be rewritten to make more clear the fact that it is only on very rare occasions that cabinet ministers are not either members to this house to start with or are obliged to become so in very short order. As far as I am aware, and I obviously have not had the opportunity to examine this point closely, the swearing in of these individuals as members of the Privy Council is almost contemporaneous with their assumption of duties as members of the government.

I might point out that on page 22 in relation to provincial cabinets there is no indication at all that the members of those cabinets

are almost invariably elected members of the provincial legislatures. On page 17 of this booklet there is a brief discussion of the way in which legislation goes through this house, and it says:

> The main discussion or debate takes place during the second reading at which time all members are given an opportunity to voice their opinions on the content of a bill.

There is no reference of any kind in this portion of the booklet to committees of the house, not even to the committee of the whole in which consideration of the bill before us is now going on. Yet this is obviously a book designed to inform new Canadians about the methods and operations of our government.

Finally I wish to draw the attention of the committee to an interesting paragraph also on page 17 under the heading "The Civil Service". It reads:

> As is apparent from the above outline, members of the House of Commons are holding office as representatives of the people on a temporary basis. At every election the voters have an opportunity of changing their representatives. It is possible, therefore, that after an election there may be a new Prime Minister, new cabinet ministers, and a large number of new members in the house.

We cannot quarrel with that. We have all experienced that situation.

> To provide for a continuous handling of public business, an organization known as the "Civil Service" has developed. The members of the Civil Service are professional public servants who are paid to carry out the routine business of government in the respective departments as directed by the ministers. The operations of the various departments may be questioned and examined by members in the House of Commons and the minister of a department called upon to report on any matter concerning his department.

Then there is some discussion of the important individual known as a deputy minister. The text continues:

> It thus becomes apparent that through the civil service the work of government is dealt with on a continuous basis, although there may be changes of cabinet and membership in the House of Commons from time to time as a result of elections.

There is no reference whatsoever to the role of parliament and those composing it in creating policy and in overseeing its implementation and administration. It may well be that in the eyes of the civil service generally this is the actual position we hold. If in fact we have seen ourselves reduced to this position I think it is time we took action not only to correct this booklet but, more important, to correct this situation.

I therefore suggest to the parliamentary secretary that he undertake at the very least to have this booklet revised forthwith so as to give a better idea of the operation of our system of government. While the words used here may be technically correct in a narrow sense, since our system is based on constitutional convention and understanding they should be modified in a way which brings a more realistic and accurate concept to those who would use this booklet about the operation of the system.

[*Translation*]

Before closing my remarks, Mr. Chairman, I should like to congratulate the parliamentary secretary for his efforts on introducing this most important bill.

To my mind, it is symbolic that this bill should be introduced to the House of Commons by someone who speaks French. It shows that the concept of Canadian citizenship is not something narrow, that it does not tie in with a certain group in our country, but rather that the concept of Canadian citizenship is very broad, very important, indeed as important as our great country which is celebrating its centennial this year.

[*English*]

I think, as I said earlier, that the symbolism linked in having the parliamentary secretary to the minister present this bill to us exists in the fact that it demonstrates how today the concept of Canadian citizenship is not a narrow one linked with a particular group of a particular origin but has come to involve people of every origin who are willing to assume and share the burdens, the responsibilities and the privileges of Canadian citizenship.

I commend the parliamentary secretary for his efforts and I think, as I said the first time I spoke, that this legislation is a most fitting project for the parliament of Canada during our centenary year.

Clause agreed to.

Clauses 2 to 4 inclusive agreed to.

• (4:10 p.m.)

On clause 5—*Revocation of Canadian citizenship.*

Mr. Bell (Carleton): Mr. Chairman, I confess to some concern about the phrase in section (1)(a) of new section 19 "by concealment of material circumstances." This is a very broad phrase and I wonder whether the net result of this clause is really to put naturalized Canadians on the same basis as natural born Canadians. Are we not still leaving

the door wide open for the cancellation of certificates of Canadian citizenship for some comparatively minor matter like concealment of age? This is the type of thing that occurs to me. It would also cover unintentional error by a person filling out an immigration form when he arrives in Canada.

I go further and say there ought to be a time limit in relation to this provision. So far as I know, the provisions of the Criminal Code would not apply to this new section. Therefore there is an unlimited period of time during which there might be cancellation for the reasons given here. Is that good enough? Personally I think the chances of offence under new subsection (1) (a) are really so remote that I would prefer that it be done away with.

[*Translation*]

Mr. Béchard: Mr. Chairman, the remarks just made by the hon. member for Carleton (Mr. Bell) about the present section 19, subparagraph (a) again undoubtedly concern the matter of security.

But any newcomer who wants to become a Canadian citizen has the right to be heard by the citizenship court and if, because of this "concealment of material circumstances", his application is refused, he will have the right to be heard once again by the appeal court which will be established by passing this bill. He will be able then to be represented by a counsel who will plead his case before a judge of the Exchequer Court.

Mr. Lewis: Mr. Chairman, the parliamentary secretary did not understand what was said by the hon. member for Carleton (Mr. Bell).

[*English*]

The proposed new section does not deal with the rejection of an application. It deals with one who is already a citizen and who is having his citizenship revoked.

Mr. Bell (Carleton): The parliamentary secretary put my point in reverse.

Mr. Béchard: Revocation of citizenship can only take place on order of the governor in council after the person involved has been given an opportunity to have his case referred for judicial inquiry.

Mr. Bell (Carleton): The parliamentary secretary still has not grasped my point in this connection, namely, the breadth of the term "concealment of material circumstances." Let us take the situation where a man does not disclose the fact that he is married at the time he makes his application for citizenship and 40 years later somebody comes along and says, "Oh, you concealed a material circumstance. Therefore your citizenship should be revoked." If there is no limitation period and no definition of what we mean by material circumstance, the legislation will continue to be defective. Despite the fact that this is the existing legislation I really think we are not updating it in the manner in which we should. When he sat on this side of the chamber the Minister of Transport made most eloquent speeches about what was going to be done to put those who were not natural born and those who were natural born in precisely the same situation. This clause does not fulfil the commitments which were made by that minister when he sat on this side.

Mr. Gray: Mr. Chairman, I do not have the benefit of the advice of the officials which the parliamentary secretary is getting, but may I make a suggestion to the hon. member for Carleton. It could well be argued, if this clause ever came to be tested in the courts, that since the phrase "concealment of material circumstances" follows the words "obtained Canadian citizenship by false representation or fraud" the so-called *ejusdem generis* rule would apply and this would limit the breadth of the term "material circumstances."

It seems to me that a clause of this type should remain in the new section because otherwise, possibly through some inadvertence by our immigration officials in the initial security screening, someone could come to this country who was a second world war criminal and would be in a position to continue to claim Canadian citizenship after it was granted to him simply because he was able to conceal his earlier history. I am sure the hon. member for Carleton would not want to see such an extreme situation permitted, even though he shares the views of the majority of members that so far as possible people who are not born here should be put on the same footing as those who are.

Mr. Bell (Carleton): May I suggest to the hon. member for Essex West that this is not a matter which could ever be tested in the courts because it involves the discretion of the governor in council. The hon. gentleman has sufficient legal experience to know he would not take action in the courts to test a discretion so completely vested in the governor in council as is provided by this new

section. It is just because it is at the discretion of the governor in council and because the language is so broad that I am raising the point. The provision is not in complaince with or in fulfilment of what hon. gentlemen opposite have said under other circumstances. I think the provision could only be justified if a time limit were placed on it, say three years from the date of the concealment. We should not leave a person for the rest of time under the possibility that some comparatively minor concealment might lead to an unenlightened governor in council using this discretion to revoke his citizenship.

Mr. Lewis: Mr. Chairman, I had not intended to participate in the debate and am not very conversant with all the provisions of the bill, but may I suggest that the remarks of the hon. member for Carleton seem to be valid so far as the wording of this new section is concerned. Would the parliamentary secretary and his officials consider adding something to the new clause such as, "by concealment of material circumstances affecting the safety or security of Canada"? I would even be suspicious of that kind of provision but the new section would be less objectionable if there were some clarification of that sort.

[*Translation*]

Mr. Béchard: Mr. Chairman, I will try to clarify that problem, if possible. Of course, if a fact, as pointed out earlier to the committee by the hon. member for Carleton (Mr. Bell), is known and was not disclosed by the applicant when he appeared before the citizenship court, fifteen or twenty years later the governor in council will not revoke ipso facto that person's certificate of citizenship.

The governor in council will act only after the applicant or the person implicated has been heard by a judicial commission. It is only in such a case that the governor in council will be able to revoke the certificate of citizenship granted to a new citizen.

• (4:20 p.m.)

[*English*]

The Assistant Deputy Chairman: Shall clause 5 carry?

Some hon. Members: On division.

Clause agreed to.

Clause 6 agreed to

On clause 7—*Copy of decision transmitted to minister.*

Mr. Bell (Carleton): Mr. Chairman, during my remarks earlier in the afternoon I mentioned that there is a problem here in that this clause is not in accordance with the precedent which was set by the government itself during the last session in respect of the immigration appeal board. This simply provides for an appeal from the judge. There is no technique here whereby the minister's discretion is in any sense reviewed. There is no provision whatever to deal with the troublesome and agonizing security cases.

I appreciate that this latter is a matter which is under consideration by the royal commission on security and personally I intend to make some representations before that commission concerning the techniques of handling the particular citizenship applications which are turned down on the ground of security. I venture to suggest to the parliamentary secretary that even at this late stage the government should turn back and adopt the principle it has in respect of the immigration appeal board which would make the ministerial discretion subject to appeal.

Mr. Prittie: Now that we are on clause 7, Mr. Chairman, is the parliamentary secretary prepared to make any comment on the question I raised earlier about whether an appellant who appears before the citizenship appeal board will know the reasons for the refusal of his application in the first instance or whether his counsel will have the opportunity to have that information? It seems to me it would be very difficult for an appeal to be conducted by counsel if the reasons were not given.

[*Translation*]

Mr. Béchard: Mr. Chairman, I will answer the hon. member for Burnaby-Richmond (Mr. Prittie), that anyone whose application has been rejected by the citizenship court will also be advised by the minister of the reasons for refusal of his request at the time of his appearance before the citizenship court.

Moreover, he may appeal this ruling and avail himself of the services of a counsel.

[*English*]

Mr. Prittie: Mr. Chairman, I was practising my French and not using the simultaneous translation system, but if I understood the parliamentary secretary correctly he said that the person appealing would receive from the minister the reasons for the refusal. If this is

so, it will be a change from the procedure of the past. As it stands now, if a person is refused for some security or alleged security reason he is not told the reason.

Mr. Bell (Carleton): He will not be under this bill either.

Mr. Prittie: Then the information just given by the parliamentary secretary is incorrect. At the present time he is simply told that he is refused citizenship and is not given the reason.

[*Translation*]

Mr. Béchard: To clarify things further, let us say that the applicant will be advised of the rejection of his application by the citizenship court and that he will have a right to appeal.

[*English*]

Mr. Prittie: Mr. Chairman, I am not a lawyer, but if I were appearing for such a person before a court of appeal I would not know what to do other than perhaps present character references on the person's behalf, because I would not know the reason the person was being denied Canadian citizenship.

I should like to raise some other points on this general subject. Earlier the parliamentary secretary said that citizenship is a privilege and not a right. I agree with that point. I said some of these same things when the estimates of the Secretary of State were before the house about two weeks ago. I referred particularly to people who have been in Canada for a long time, who were admitted as immigrants and who have lived here for 20, 30 or 40 years. There has been no reason to deport these people but at present they are being denied Canadian citizenship. It would seem to me that a person who has lived in Canada for such a period of time should have built up some rights and should be given citizenship if there is no reason that it should not be granted.

At that time I mentioned the very peculiar case of a young man in my constituency who came from another Commonwealth country. He would be one of the British subjects whom the hon. member for Lotbinière was speaking about earlier today. He can vote and can be elected to parliament but he can be refused Canadian citizenship. This would seem to be a very strange situation. I will be interested to hear any remarks the hon. member for Carleton may make in respect of how counsel could effectively present the case for a person who has been refused Canadian citizenship when he does not know the reason.

[Mr. Prittie.]

Mr. Gray: Mr. Chairman, there is another aspect of this matter which I think is included within the general point raised by the hon. member for Burnaby-Richmond. The parliamentary secretary has pointed out already that the citizenship judge can ask any questions he likes. Apparently there is nothing in the act which provides for any limitation in respect of this right or privilege which the citizenship court judge has.

This problem does not exist in respect of the court for the London district which includes Windsor. I believe the last time this matter was before the house a number of very laudatory statements were made by members on both sides of the house about the present incumbent of the position of citizenship court judge there. But there are other areas in which complaints are being raised and have been raised concerning the totally unreasonable questions which have been directed to applicants for citizenship by various citizenship court judges. Some of these questions could not be answered either by members of this house or by any Canadian no matter what his education or length of stay in this country might be.

I think some format should be laid down which a citizenship court judge would have to follow when asking questions. This could be set out in the regulations or in the administrative procedures of the department. I believe that when the broadest latitude is allowed in respect of questions there is some opportunity for abuse, especially when the judge is not required to give reasons for refusal of the application.

I recognize the problems which might be created in cases where the refusal is based on security reasons. However, refusals are also sometimes based on the fact that an applicant has not correctly guessed the name of the longest river in Canada or perhaps did not answer to the satisfaction of the judge, for example, a question concerning the name of the grandfather of the present Queen. By the way, this question could be answered incorrectly no matter what answer might be given, because it would depend on whether the judge considered that the person should give the name of the grandfather on the mother's side or on the father's side of the family, and so on. While I think there should be some direction in this regard, if wide latitude is to be given to the judge in respect of these questions, then certainly there should be a requirement that the reasons for refusal be given to unsuccessful applicants so that these people will know what to put forward at the

appeal court. With a great deal of respect to the parliamentary secretary, this is the reason that I say this matter has not been dealt with in as complete a way as I think it should have been.

Mr. Bell (Carleton): Mr. Chairman, I believe there are two distinct issues involved here. The first is whether the citizenship court judge and subsequently the citizenship appeal court should be required to give reasons for refusal. Personally I think they ought to be. I believe an appeal is meaningless if the reasons for the refusal of citizenship are not given, whether or not an appeal is launched. I believe there should be a provision in this bill which would require the citizenship court judge to give his reasons for refusal so that the person will know precisely where he stands and so he will know what he is appealing against.

• (4:30 p.m.)

The issue of security does not come up at that stage. The issue of security is not an issue before the citizenship court judge and will not be an issue before the citizenship appeal court. This is a matter which is in issue when the minister exercises discretion later. We are going to have a situation under this bill where an individual is refused citizenship by the citizenship court judge on some ground, shall we say, such as not knowing who the Queen's grandfather was. It may be that the citizenship appeal court then would recommend that citizenship be granted. When the matter comes before the minister there may be a report indicating that the individual subscribes to some foreign newspaper which happens to be the only one of its kind in Canada through which the individual can get news of his home land. The minister may reach the conclusion on the basis of that fact that this individual is a security risk although he belongs to a party which is legal in Canada. The individual will be deprived of Canadian citizenship.

I confess this is one thing I could not understand and would have changed had I remained in the portfolio for any length of time. How is it that a person can belong to a party which is legal in Canada and yet be deprived of citizenship on that account? That is beyond my comprehension.

There are two distinct issues which ought to be reconsidered. There should be different provisions in relation to security. This bill is totally silent on that subject and we are going to have the same back-door methods we have used all along which I deplored when I was a minister and deplore even more now.

Mr. Lewis: Mr. Chairman, I want to support what has been said by the hon. members for Burnaby-Richmond, Essex West and Carleton. Let me urge the parliamentary secretary to have the minister's advisers look into this situation. I rise at this time merely to support what has already been said.

Some time ago I became aware of a problem facing a Canadian resident from a part of Canada which I do not represent in parliament whose application for citizenship had been rejected on a number of occasions. That person had tried over a period of years without success to obtain citizenship status. When I went into the matter I learned that the individual was and had been a high school teacher for many years. She was prevented from becoming a citizen for security reasons. If there was anything in the security risk reason at all it was entirely based on alleged subversion in respect of the young people whom that person was teaching in school.

It is this kind of silly inconsistency that arises time and time again which should be corrected. All that person would have obtained as a result of receiving citizenship, in addition to the pride of being a Canadian citizen to which I will refer in a moment, would have been the ability to obtain a passport and the protection which goes with it if that person went to a foreign country. That person could carry on any activity in Canada without being a citizen, including the activity of teaching Canadian youngsters in high school over a number of years. She was anxious to become a citizen for no other reason than because of her pride in the country. When she first brought this matter to my attention she was in tears every minute of the time that she spoke to me about it. Having been here practically all her life she wanted to be a Canadian citizen. I have never been able to learn what the reasons were, and the department finally was persuaded to give her citizenship, but there must have been some reason somewhere in the files for suspicion about that person's security.

It seems to me that there may be some other comments about clause 7. This subject is of such importance it deserves further consideration by the department, the minister and his advisers so that we can get away from the silly idea that a person can teach in high schools in Canada for 20 years and be

judged fit to bring up our young in the democratic processes and a democratic understanding of our country but unfit to get a certificate which would entitle him or her to very few practical things in addition to the satisfaction of being recognized as a citizen. I have personally felt as a result of my limited experience in this field that if a person is admitted to residence and given immigrant status the withholding of citizenship ought not to take place except on very clear grounds affecting the security of Canada.

[*Translation*]

Mr. Béchard: Mr. Chairman, the hon. member for Carleton (Mr. Bell) made some comments on the grounds for denial of Canadian citizenship to an applicant, invoked by the citizenship courts.

The hon. member said that the judges should give the reasons for their refusal and he is right in saying that, at this stage of the proceedings, the question of security is not raised.

On the other hand, I believe that these reasons should not be disclosed in the very interest of the applicant himself. Since it is said that it is so ridiculous to ask such questions as: what is the largest river in Canada? What is the name of the deputy minister of National Revenue in Canada? If that is so ridiculous, and if a new citizen is unable to answer these questions and if he is refused on that account, it is in his interest, I think, not to make any publicity on these questions. As for the questions in the booklet given every new citizen to help him prepare for the examination, I believe, after what we have been told, that in several citizenship courts, the judges use their judgment.

At this stage, I should like to pay homage to several of these judges. I realize that there may be grievances against these people in certain areas, but during the winter, I visited at least three of these citizenship courts, and I was very impressed not only by the ceremony of presentation of citizenship certificates to new Canadians but also by the procedure and by the manner in which the judges of such courts pay homage to these new Canadian citizens and tell them of the grandeur of our country and how their taking the oath of allegiance is something significant not only for them, but for all Canada because as Canadian citizens they will henceforth share in the greatness of our country.

I think it is unflattering not only for the minister now responsible for the citizenship division but for all his predecessors to say that the minister will refuse citizenship to a newcomer because he has learned something of the reputation of some John Doe through the newspapers.

I think the hon. member for Carleton, who is experienced in this field, cannot make this claim which is not to his great advantage, because I am sure he has considered the reasons for the rejection of certain applications for security reasons.

I admit with the hon. member for York South (Mr. Lewis) that this security question is rather intriguing and that the case he has mentioned is even more so. He knows that a royal commission has been appointed to inquire into these security cases and that the officials of the citizenship department have been approached and have even offered their services to this commission. I presume that when the report of the commission is presented to parliament, the government will see to it that, if necessary, the legislation is amended in the light of this definite information.

• (4:40 p.m.)

[*English*]

Mr. Gilbert: Mr. Chairman, clause 7 of the bill, which amends section 31 of the act, provides as follows:

> When a court decides that an applicant for a certificate of citizenship is a fit and proper person to be granted such a certificate, or the citizenship appeal court reverses the decision of a court in respect of an application, a certificate of citizenship may, in the discretion of the minister, be granted to the applicant—

We in this party believe there should be no discretion in the minister once the citizenship appeal court has decided that an applicant is a fit and proper person to be granted such a certificate. Therefore I move:

> That section 31 of the act as amended by clause 7 of Bill S-4 be further amended by striking out in the fifth line thereof the word "may" and substituting the word "shall" and striking out the following words "in the discretion of the minister," so that section 31 would read:
>
> "31. When a court decides that an applicant for a certificate of citizenship is a fit and proper person to be granted such a certificate, or the citizenship appeal court reverses the decision of a court in respect of an application, a certificate of citizenship shall be granted to the applicant and the certificate shall be delivered to the applicant and the oath of allegiance taken by him as prescribed by regulation."

Miss LaMarsh: Mr. Chairman, a number of times during the course of the discussion on this bill hon. members have raised questions regarding security. It should be noted that the effect of the amendment proposed by my hon.

friend would be that there would, of course, be no discretion at all. I do not know whether my hon. friend realizes that in many cases where an investigation has disclosed that there is a security reason for barring citizenship the investigation and the evidence, is in the public interest, cannot be made public because it may lead to an exposure of certain police contacts and things of that kind. It is for this type of case in particular that discretion is retained in the amendment now before the committee.

Security matters, as my parliamentary secretary has said, are being discussed at the present time, but in the few months since last fall in which I have been responsible for exercising ministerial discretion in citizenship matters the whole question of security and the exercise of discretion has been one to which I have particularly addressed myself. I have here a statement with respect to the whole field of security which hon. members would perhaps like to hear at this time.

I should like to say as a preliminary that I heard the last few remarks of the hon. member for York South and I must point out that there is a different responsibility upon those who accept an individual as a landed immigrant, which in effect gives the individual a chance to begin to prove himself in this country, from the responsibility that lies upon school boards and trustees who select teachers for our youth. There is a different responsibility resting on these people from that which lies upon a minister of citizenship.

Discretion is only as good, of course, as the person who exercises it. I think all hon. members, no matter where they sit in the house, would agree that the preservation of Canada and its security must necessarily be of overriding interest to any minister who is called upon to review a case. I think that too often hon. members are of the opinion that there is a sort of routine turn-down in some cases. But that certainly has not been the experience I have had nor, as is obvious from the files, has it been the practice of ministers in the past.

Each case is reviewed by the minister. I cannot find any record of any minister who blithely accepted representations without satisfying himself or herself about the validity of the representations made. No minister that I know of has ever out of hand rejected anyone unless there appeared to be a valid reason for that minister to exercise discretion.

The other day the hon. member for Winnipeg North indicated that he was aware of the difficulties that were apparent in dealing with questions of security. I am sure that any member of the house who ever comes close to the question is aware that it is a precarious one. After all, it is basic to the way in which we live and in which we structure our society that there be wherever possible the utmost publicity cast upon any process through which a person may be deprived of either a right or a special privilege which is ordinarily available.

I agree with the suggestion which has frequently been put forward that normally the most open kind of procedure is the best. One would reasonably suppose this might be achieved through the courts, but for the reason I expressed earlier all of the matters are not always placed before the courts. Hon. members will remember the case of Spencer where, notwithstanding the fact that considerable suspicion was aroused in the beginning because the process did not appear to be completely open, the circumstances when laid bare indicated that there was a very good reason for this, that it was a matter of security and that any apparent deprivation of right without recourse to the courts did not in fact exist.

I do not know that there is a way that the courts or parliament, the highest court in the land, or any group of people beyond one or two at the most that can deal with rights of this kind except in the way in which they are dealt with. As a matter of fact, if government were easily able to structure some new process, past governments would have done so or this government would have done so. That is exactly why there is a commission looking into the matter at the moment. Because the matter is so potentially fraught with peril for the state, great care is being taken.

It has often been said that the granting of citizenship is not a right but a privilege. I think that very often this extremely basic tenet is forgotten or disregarded. I do not know of any modern state which treats it otherwise, notwithstanding the fact that we in Canada, whatever our function may be, are anxious to receive good citizens and welcome them among us.

• (4:50 p.m.)

In order that we can have an inflow of potentially good citizens we keep a relatively short list of qualifications which one has to meet. Notwithstanding this fact, there are individuals from time to time who, having obtained landed immigrant status, do not appear to be ones who in the future should become

Canadian citizens. Hon. members are aware that the applicant has to satisfy the citizenship court with respect to these qualifications. Most courts, as has been admitted, are rather humane and understanding when interrogating persons who come before them to become Canadians. It is after the court has been satisfied, and only in that case, that the minister is called upon to exercise her judgment and decide whether citizenship should be granted.

If I am to exercise my discretion I have to be satisfied that the individual is apt to be a good, loyal citizen. I have to decide whether that person, having careful regard to his behaviour and his activities, is apt to be loyal to Canada. If you want to put it another way, I have to decide whether he is likely to comply with the terms of the oath of allegiance which he is to take. Perhaps I should remind hon. members that the oath reads as follows:

I, John Doe, swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth the second, her heirs and successors, according to law, and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen. So help me God.

Those who wish to affirm may do so.

Mr. Gray: May I ask the minister a question? Can she give me the statutory authority for a person to affirm? I have raised this question on a number of occasions and, with all due respect, I do not feel that I have the answer. This bill does not seem to change the existing situation and does not permit affirmation.

Miss LaMarsh: It is my understanding, by virtue of information from the Department of Justice, that where general legislation refers to the taking of an oath that reference is read to include the making of an affirmation.

Now, it has been said that citizenship courts being satisfied should be good enough. As I said, sometimes there is information which is available only to the minister or the department and only on a confidential basis which has to be considered in connection with these applications. I have indicated already that I have never found a case where such a confidential memorandum or confidential representations were accepted without investigation as to their verity so far as possible.

One hon. member suggested that there are very few tangible rights to citizenship and there are many good reasons for becoming a citizen. One of the advantages is that we allow people to enter Canada without any question once they are citizens. There are some advantages, therefore, in connection with immigration. There are some advantages in the matter of employment in various places.

Probably the most practical, tangible result from obtaining citizenship is the securing of a Canadian passport. Under present law, once an individual becomes a citizen it is not easy, and surely not desirable either, to take away that status or to revoke the passport. Hon. members do not need to have had very much experience in public affairs in the last few years to have some awareness of the benefits which an unscrupulous individual may gain from carrying a valid Canadian passport. We do not like the idea of revoking citizenship once granted. As will be seen from the provisions of this bill, citizenship will not be able to be revoked except in cases of fraud. There will still be other cases in which revocation will be possible, just as there are at present, such as a person who acquires citizenship of another country while in Canada. The last time we discussed this matter reference was made in this connection to Lord Thomson of Fleet and what he appeared to have done. Revocation is possible also when a citizen declares allegiance to a foreign country or when a person renounces his Canadian nationality.

It should be remembered that it is not the minister but the governor in council who can order that a person lose his citizenship. However, this can only be done after the person involved, has requested a judicial inquiry. Most important, after this bill is passed, one will not be able to lose citizenship by reason of residence outside of Canada.

If information comes to me which is based on security or criminal intelligence in respect of a particular case, I have to consider it carefully. At this point the minister is the only person who stands on guard, as it were, for the country. This responsibility is there by statute. The minister must decide whether this individual shall have that magic weapon put into his or her hands, a valid Canadian passport, which is granted along with Canadian citizenship. In every such case the eligibility of the person for citizenship is examined minutely on its own merits in the light of that intelligence.

The inference of some of the comments which I have heard was that decisions were taken without any regard to the current situation. In other words, one might have had a report about the early years before coming to Canada or even the quite early years after coming and that one neither took cognizance of the changes in the life of the individual up

to the time of the application or indeed of the changes in society. I said before that I can only assure the committee that is not the case with this minister, nor have I seen any evidence that it has been the case with any prior minister.

Perhaps this is the point where it would be desirable to clear up some misunderstanding about the role of the Royal Canadian Mounted Police in the whole matter, since more than one reference has been made to the force in this debate. In obtaining an adequate basis for exercising his judgment the minister may be supplied with information from the Royal Canadian Mounted Police. Such information is sent to his department in the form of a factual report, evaluated only as to the reliability of the sources of information. This information, together with other information which may be provided to the department and can be satisfactorily evaluated, is assessed at a senior level and advice is provided to the minister with regard to the exercise of discretion in granting or denying citizenship.

I should like to stress the fact that the mounted police do not judge applications or make recommendations to the department or to the minister about citizenship cases.

In the first discussion on the bill the hon. member for Royal drew attention to what he considered to be contradictions in policy between the provisions in the new measure to establish an immigration appeal board and this measure. He drew attention to the fact that the courts would be sitting prior to the final grant of discretion by the minister. He is right, but these are two different procedures. The immigration appeal board is not empowered to exercise its discretion, if I remember correctly, if the minister and the Solicitor General certify to the board that in their opinion, based upon security or criminal intelligence reports received and considered by them, it would be contrary to the national interest for the board to take certain actions which they are empowered to do.

• (5:00 p.m.)

The court mentioned in section 31, that is, the citizenship appeal court, is one which hears appeals from negative decisions of the lower citizenship court or judge sitting as a citizenship court. With respect to some of the cases which hon. members have mentioned and which I in the last analysis have to decide, this court is not going to be available. But I will examine any and all cases which come before me, and I have already had many cases referred to me by hon. members. In some instances I have reversed what prior ministers have said; in other cases I have followed their decisions.

I find it rather hard to believe, as the hon. member for Winnipeg North mentioned, that it would be possible to have an appeal court composed of distinguished citizens who could be given a statement of reasons for refusal of citizenship in a particular case. The hon. member also says that there is nothing in the bill which gives the right to a person whose application is turned down to receive a bill of particulars or even general knowledge concerning the particulars in order that he can answer or explain any charges that are made to clear his name. Certainly in the cases I have dealt with the applicant knows why he is being turned down. He knows what the record is. In some cases he has done his best to hide it; in other cases the applicant makes clear what his record is. I have seen nothing in the files that I have looked at which indicates that there was ever any question in the mind either of the hon. member who brought forward the application or of the applicant himself as to why the minister turned down the case in question.

There is, of course, no question of a charge being made against any person whose application for citizenship has been refused. It is perfectly true that we do not say in the letter to the applicant or to the member, why the application for citizenship is being refused. These reasons are not made public; they are not put in written form precisely because we do not want to identify publicly an individual whose application has been refused and thus perhaps damage his reputation.

There are many individuals who should not be carrying Canadian passports around the world which identify them as Canadian citizens, with the entrée that this gives them, but who otherwise conduct themselves in a very proper and reasonable way most of the time within Canada. I do not think anyone wants to see a minister publicly brand an individual by giving reasons for refusing citizenship, nor indeed give any publicity to the fact that the citizenship application of a particular individual has been refused.

The security problems which affect the operation of one particular department cannot be considered in isolation from those which apply to other departments. I should not like to change the arrangements in one department without taking into account other arrangements in the government as a whole. We

have but one force which does some investigation work and channels information and that is the Royal Canadian Mounted Police. They operate through their own sources, not in a vacuum or in a particular niche for the department. So any exposure which is made of what has been said, or why, is quite likely to harm the whole structure of the security of the state.

I devoutly hope that the royal commission on security will be able to make some recommendations in the citizenship area in relation to the totality of all the recommendations that it is making with regard to security. However, I should like to say that I have refused, and it appears that my predecessors also have refused, citizenship only for the most serious reasons in cases where the minister genuinely believes there is a basis upon which an individual applicant does not appear to be a good candidate for citizenship, does not appear to be prepared to be loyal to the state, does not appear to be the kind of person who should be carrying a Canadian passport and appearing before the rest of the world as a Canadian.

Each case, as I said before, Mr. Chairman, has to be painstakingly reviewed before it is put to the minister. This review is carried out by senior public officials who are not simply working with a barrel of red tape beside them, nor trying to cause difficulties for individuals. These people have long experience in these matters and they give the best advice they can in the interest of the public.

I am very willing, Mr. Chairman, to look at all cases at which a member asks me to look. Sometimes I feel I should like to say publicly why in a particular case I am not granting citizenship. I look at hon. members opposite and think of particular files that I have. One in particular I find extremely difficult because it relates to a young man who has lived most of his life in this country and appears to be a very bright young man.

A responsibility is laid upon a minister who accepts the portfolio of citizenship which cannot simply be laid aside. It may be tough to take decisions, and the decisions which are made may in the last analysis be wrong. But while there is placed before the minister the goal of the security of the state, I suggest to the members of the committee that at least until we receive the report of the royal commission on security such cases should be left to the discretion of the minister. Perhaps the most useful thing that the members of this house could do is to utter a silent prayer from time to time that the minister will exercise her discretion in the true interest of the state.

[Miss LaMarsh.]

Mr. Prittie: Mr. Chairman, I just want to make a brief comment having heard the minister's remarks. I do not know whether she was in the house when the hon. member for Carleton spoke but the hon. member is a former minister of citizenship and immigration.

The minister said that she goes into all of these cases most carefully and that no one has his citizenship application rejected on flimsy grounds. I should like to paraphrase what the hon. member for Carleton said; he can correct me if I am wrong. He said that he was most uncomfortable in some cases in accepting the advice of officials to turn down an application for citizenship on the ground, for example, of the kind of ethnic newspaper to which the applicant has subscribed in the past. Perhaps it was of the wrong political persuasion. The hon. member referred to matters of that sort. It seems to me that this is not a very substantial reason for turning down an application. From what the hon. member said it appears to me that officials have given ministers advice with that kind of reason in the background. As I say, I do not think that is a very substantial reason for refusing citizenship.

Mr. Bell (Carleton): Mr. Chairman, I do not think there is any misunderstanding of the situation but I used that only as an illustration of purported evidence of membership in an allegedly subversive organization. I went on to say that I was never able to see why membership in a party which is totally within the law of this country should be a ground for refusal of citizenship.

• (5:10 p.m.)

[*Translation*]

Mr. Mongrain: Mr. Chairman, I think that this amendment places us in a situation where there are two currents of opinions. The first, that has prompted this amendment, I think, is that Canada should not be deprived, of course, of those immigrants who could be an asset to our country. It is not wished therefore, to treat unfairly an immigrant who could be qualified and to make quite sure that no injustice is done, it is intended to make known all the facts that concern him.

I feel, Mr. Chairman, that another concern should come before that, which even transcends that one, and it is to protect our country from every threat of subversion. I agree with the minister that the security measures should be applied. I believe this represents the

common good and that it is superior, or in a word, that it transcends the private good.

Mr. Chairman, I am of the opinion that even if injustice should be done an immigrant, because there is a doubt—it is only a doubt, there is no certainty, but a doubt—that he could be a security risk for the country, the government or the minister concerned must have discretion to protect the country against such dangerous influence. In fact, the benefit of the doubt must be in favour of the country, not in favour of the immigrant.

It is, indeed, worthy of praise to be concerned about not committing any injustice, so that every human being desirous of becoming a Canadian citizen might be able to do so. Nevertheless, there will always be border-line cases. I say that, even in those border-line cases, the minister should be fully authorized to act without having to publish his reasons, which, in many cases, should be confidential. Indeed, in doubtful cases, he should exercise his authority in such a way as to protect the commonweal.

Mr. Chairman, that is why it seems obvious to me that we should not vote for this amendment. The good of all takes precedence of the good of the individual.

I am convinced, Mr. Chairman, that no minister of immigration, under this government or any other, would be so irresponsible as to exercise lightly the authority entrusted to them. They will surely exercise it only in cases of reasonable doubt. They will do so conscientiously, telling themselves that their first concern must be to protect the state, to protect the country.

[*English*]

The Chairman: Is the committee ready for the question?

Amendment (Mr. Gilbert) negatived: Yeas, 19; nays, 36.

The Chairman: I declare the amendment lost.

Shall clause 7 carry?

Mr. Gray: Mr. Chairman, I wonder whether the parliamentary secretary or the minister can give a further explanation on how the reasons of citizenship courts for refusal of applications in areas such as the one that precipitated this amendment will be presented to people who want to appeal to the new appeal court so they will know what type of case will be made and what type of argument will be put forward.

Mr. Badanai: Mr. Chairman, I welcome the introduction of Bill No. S-4 which, when approved, will enable the minister to appoint an appeal board in cases where discrimination appears to be evident. I wish to congratulate the minister for bringing this measure forward at this time. However, I want to bring one aspect of the Canadian Citizenship Act which is closely allied to the Immigration Act to the attention of the minister. As a matter of fact, both acts are related to each other.

There is no question about the need for a change in the Immigration Act which would remove the section that authorizes the minister to issue a deportation order against a legally entered immigrant if the said immigrant should have the misfortune to enter a mental institution. Under the act, upon admission to a mental hospital an immigrant is immediately placed under a deportation order which is not removed even after the patient is discharged from the hospital and enjoys good health. He cannot enjoy the status of landed immigrant and though he may live an honourable life until old age he cannot qualify for citizenship because the act does not give the minister power to remove the deportation order.

This is a situation where the minister has the power to issue a deportation order which, though usually never acted upon, he does not have the power to remove. There are cases of unfortunate individuals with families, individuals directing their own businesses, employers of labour, who because of a nervous breakdown have been admitted to a mental hospital for a period of months, were then discharged as cured and have never had a recurrence of the disease but because of this monstrous section of the act they are unable to qualify for Canadian citizenship. This bill is designed, partially, to correct this situation through an appeal board.

May I take the liberty of reading one letter which is addressed to me. It was written by an individual who has been affected by the particular section of the act to which I refer and it reads as follows:

> I wish to thank you for your letters of February 10th and February 12th, and for the interest you have shown in my case.
>
> In regard to the misunderstanding of my name, I am glad you have already clarified that. I would like to add that in 1956, when I filed the application for citizenship, I used Agostino Salvatore Caccamo, omitting the name Mario, by which I have always been called and generally known. Considering unnecessary, never taught to include it in the application.

As far as the order of deportation, this has been issued in 1954, two and a half years after my arrival in Canada and the reason was because late in 1953, I personally mentioned it to you, I was confined in the Ontario Hospital for a period of about two months, following a nervous breakdown.

• (5:20 p.m.)

At this point I would like to clarify that this type of nervous breakdown in Italy is called "esaurimento nervoso" and does not constitute a mental case, and it is very common among students and professional people who attempt to work too hard.

At the time I had this nervous breakdown I was working for the Canada Car Company and returned to work immediately after my discharge from the hospital. Since then I worked with the company until 1957, and from 1957 to 1961 I have been with the Marathon Corporation of Canada, Marine Division, in Marathon, except for short periods: in 1959 while I was with Canada Life Assurance Company as sales representative, and in 1960 with the Lakehead Motors, as a car salesman.

In 1961 I started my own business, the America Travel Agency, holding now I.A.T.A. and steamship appointments. I am also an authorized agent for the French National Railroads, Canadian National and Pacific railroads; the Travelers Insurance Company, Hartford, Connecticut, U.S.A., and sales representative for the Dominion Automobile Association. At the present time I am operating my business successfully, in the good consideration of the population of both cities.

I am a member of the St. Dominic Catholic Church and the Society Principe di Piemonte.

From the CFPA radio station I broadcast a weekly program and take active part in social and sport associations such as the Y.M.C.A. and soccer club.

I have never been charged or convicted of any offence, except for a couple of parking tickets.

I am married with a child and live in the respect of the people obeying in full the Canadian law.

The only crime, if crime it can be called, was when in 1953 following a period of long working hours and study of the English language, I consulted a doctor who advised me to be recovered in the Ontario Hospital.

I understand mine has been considered a mental case. In my opinion it was only a little "esaurimento nervoso" if you forgive my use of this Italian expression. What I needed was some rest and as soon as I had it I got well.

My activities in these last ten years can speak for themselves and my employers can corroborate it.

Mr. Badanai, the reason I am detailing all this is to draw a picture of myself so that the Department of Citizenship and Immigration would see in the daylight the man against whom an order of deportation was issued.

Did I do anything wrong which is considered against the law in Canada? Are people allowed to get sick wherever they are? Now I admit I got sick, and without any arguing in regard to the diagnosis of my sickness, under any law of any country I suppose it has been a natural thing which could have happened to anyone, Canadian or not Canadian.

Did I ever before and after my confinement in the hospital show any sign of insanity by acting as a mental case? My life's record does not show any of that.

I have been living in Canada for the past 13 years and have always tried to be a good citizen, governing myself according to the Canadian law. I like this country, the way of living, the people, the law; I enjoy every bit of the Canadian freedom and I feel and consider myself a new Canadian.

What I am asking is to be officially recognized as such, so I do not have to feel as being one man too many in Canada, waiting to be sent away without, pardon me, any good reason.

Shall I just wait to be deported or continue my activities as a good Canadian citizen? I have a family, I own property and feel ashamed not being able to be considered a man with a right to vote and take an active part as a Canadian citizen in political life.

If the department considers that I am not a good man, an insane man, I would ask the minister to act accordingly in my regard. But if you, Mr. Badanai, and the minister of citizenship and immigration would consider a review of my case, cancel the order of deportation and grant me the citizenship of this country, I am willing and ready to assume officially the full responsibility of a good Canadian citizen.

It is a long letter and I am grateful to hon. members for allowing me to read it all and for listening to it. But I think it was worth while reading because this is not the only case of its kind. There are others. Many forms of mental illness appear now to be as curable as are certain types of physical ailments. The present Immigration Act was formulated before these important advances in medical knowledge were achieved and it is widely considered that the provisions of section 5 in relation to previous insanity are altogether unrealistic.

It seems to me that the scope of this bill should be increased so as to include a clause which would take care of specific cases such as the one I have just cited. Epilepsy is another affiiction which has responded favourably to new treatments and medical techniques. Indeed, modern drugs may so control the disease that afflicted persons may suffer few, if any, symptoms, and live quite normal lives. I would like to have dealt with both these afflictions, insanity and epilepsy, at greater length but I do not wish to take advantage unduly of the indulgence of the committee. It is true that in many cases sufferers are allowed to remain in this country, but there is no way in which they can acquire Canadian citizenship.

Notwithstanding the shortcomings of this bill I am very happy to support it. I do feel, however, that the minister should seek to change the legislation so as to deal with the particular aspect I have drawn to his attention and bring its provisions into conformity

with the capacity of mental patients for rehabilitation.

Mr. Barnett: Mr. Chairman, I listened as carefully as I could to the statement made by the Secretary of State in connection with the amendment recently disposed of by the committee. She gave me at least the impression that the only occasion on which the minister would exercise the power of discretion would be when either the security of the state or criminal activity was involved. If this is indeed the case, and if its the hon. lady's view that this is the ground upon which previous ministers have acted, then it seems to me we are reaching the point at which, for practical purposes at least, the grounds for the rejection of applications for citizenship are being clarified and defined. But this is not what the legislation says. As it stands, the law gives unlimited power of discretion to the minister to reject an application on any ground as may appear to be desirable or necessary from time to time.

I must say I have had no occasion to approach the present minister in connection with any case in which an application for citizenship has been refused. But I think most hon. members over a period of years have had cases brought to their attention in which applications have been rejected for unknown reasons. These were cases in which by no stretch of the imagination, since the applicants were well known in the communities where they lived, was it possible to see how either the security of the state or criminal activity could enter into the picture. It occurs to me that the minister, by virtue of the position she is now taking, is herself suggesting in effect that the procedure which was established in connection with the immigration appeal board is one that could be considered in these circumstances. In other words, it should be clearly understood that one or other of these grounds applies. The minister has virtually said so. She has said that these are the only grounds which she will consider for rejection. This means that as long as she remains in her present portfolio an application will not be rejected except for one or other of these reasons. If this is going to be the basis of administration then it seems to me desirable that it should be the basis of the law so that people will know why they are being rejected.

• (5:30 p.m.)

This may be the case so far as the applications with which the minister has dealt are concerned, but I have a vivid recollection of a case which happened quite a number of years ago. It involved a young married woman from what is now Yugoslavia before that country became Yugoslavia. Her husband preceded her to Canada. Later she found herself in the position that her husband was a naturalized citizen, all but one of her children were born in Canada, she herself was the grandmother of Canadians, but for some reason she was the only member of her family who could not become a citizen. That case puzzled hon. members and unless my judgment was wrong it puzzled the woman in question. This kind of situation should not be repeated and perpetuated.

The minister's statement, apart from some minor variations, was the same as statements I have listened to ad nauseam from ministers holding that portfolio since I first entered the house quite a number of years ago. It is a portfolio that has had many ministers in charge of it. Some former ministers have admitted to me that it is a thankless task in some aspects, and that may be one of the reasons why there have been so many ministers over the years.

A former minister, the hon. member for Carleton, indicated that he hoped to implement some changes. In view of the fact that the present minister was not prepared to accept the amendment proposed by the hon. member for Broadview, I ask her to consider redefining this discretionary power so that it will be understood it will only be exercised in respect of the reasons which she has said this afternoon would justify withholding citizenship from a legally landed immigrant who has met the residence qualifications.

We have heard it repeated time and time again that citizenship is a privilege and not a right. But those of us who are natural born citizens are increasingly coming to question whether this concept is one that should be perpetuated forever. We are coming to believe that a legally admitted landed immigrant who has been in this country a reasonable period of time should acquire the right to become a citizen.

Mr. Lambert: Oh, oh.

Mr. Barnett: I hear the hon. member for Edmonton West oh-ohing.

Mr. Lambert: Where does he get the right?

Mr. Barnett: I am suggesting that this artificial distinction of a right which exists by virtue of birth in Canada as against birth somewhere else on this small planet is one

that should be examined. I am not saying the person should be entitled to become a Canadian citizen the day after he arrives in this country as a landed immigrant, but I am saying that the concept that certain things are a matter of right and certain things are a matter of privilege is one which we are increasingly questioning in this country. I am applying this to the discretionary power in the hands of the minister to reject an application for citizenship on one or two grounds.

If the minister means what she says about the grounds on which she would act, then consideration might well be given to defining that concept within the law itself. To that extent it would give people an assurance that they were not being subjected merely to ministerial or bureaucratic whimsy if their citizenship applications were rejected.

Miss LaMarsh: I do not find that a bad suggestion at all. So far as I can recall those are the only two bases upon which I have seen any cases rejected. However, the most senior representatives are not here today from the department. I have not had a chance to talk to them, or even to some of my colleagues, and the principle of starting to cut ministerial discretion to a narrow basis is one they would be interested in because of the threat there may be to discretion which resides in their various departments.

I was very hopeful that we would have a new citizenship act this year. For several years when I was in opposition I heard the hon. member for Carleton talking about the new bill that his government was going to introduce, but it never materialized. It has not materialized yet under this government even though we hoped to have it for centennial year. The legislative program was such that it was hopeless to expect we could introduce it earlier this year. But these other problems are becoming a little hoary. They have been mentioned a number of times in throne speeches. Action to deal with them was promised a number of times but was always held up. Accordingly we decided to proceed with this solution.

The whole question of security covered by ministerial discretion is one of the things that is going to be looked into in the new act. I have made many sweeping recommendations to my colleagues with respect to the new act. I am not normally a cautious conservative but, although the hon. member's suggestion appeals to me, while I am still a novice in this matter of having ministerial discretion I will have to reserve my opinion and wait until the new act is produced. I think no one will suffer as a result of that.

Mr. Lambert: The remarks of the hon. member for Comox-Alberni have prompted me to participate in this debate. From the minister's concluding remarks it is clear that having assumed ministerial responsibility she recognizes this is a very difficult area. It is very easy to talk airily about it until one actually has to accept the responsibility. This has been recognized by a goodly number of members. The minister is joining a number of other ministers who have all had the same aspirations but who have all had to come up against this problem. I have never been connected with the department but I have come in contact with situations involving some very tough cases. I think we recognize that this is an area which is fraught with peril.

• (5:40 p.m.)

I should like to come back to the point raised by the hon. member for Comox-Alberni. I do not feel that any person who comes to this country has the inalienable right to claim citizenship. If a person coming to this country has that right, then I as a Canadian have the right to go to another country and claim the right of citizenship there. There must be reciprocity; there must be the right of the individual. What the hon. member for Comox-Alberni is doing is asserting the right of an individual to citizenship in the country of his choice. If this is valid in the case of some person who is a native of another land, that is, that he can come to Canada and assert his right to citizenship in Canada, then it is my inalienable right as an individual in the same way to move to another country and claim the right of citizenship in that country.

Mr. Barnett: You would go as a landed immigrant.

Mr. Lambert: This is so; I would go there as an immigrant. However, the fact that I am accepted as an immigrant does not, ipso facto, say that I have an inalienable right to be a citizen. I suggest that the hon. member should think about this situation a little more deeply. He is asserting the right of the individual to citizenship on behalf of the stranger who is admitted to this country as a landed immigrant. I have a great deal of sympathy for the right of the individual, but it is the right of Canada and the right of Canadians to say to strangers: "We will admit you; we will admit

you to the society of citizenship in this country, but it has privileges and it has responsibilities. We are the judges." I would not say to the government of the home land of any individual that I have the absolute right to determine whether I shall be admitted as an immigrant to that land and whether I shall be admitted to the rights of citizenship. It is not for me to say. I cannot agree with the hon. member for Comox-Alberni.

If we should go further, however, I would say that once we have granted the right of citizenship it cannot be removed except in the most exceptional cases. I can conceive of the case of an individual who seeks the haven of Canadian citizenship and then goes off to another land. For all practical purposes he has abandoned Canadian citizenship, or perhaps he has returned to his original land and has abandoned it. I believe this is part of the responsibility of citizenship. After all, it is not only up to the state to protect the status of citizenship. It is up to the individual to protect his own citizenship and that includes compliance with the reasonable requirements of citizenship in Canada or in any other land.

We are dealing with Canadian citizenship. It is within the rights of the Canadian nation to say, "We are accepting you as Canadian citizens but there are certain responsibilities therewith and one of them is that it is your duty to protect the right of citizenship." I would limit revocation to the most exceptional cases. If there were to be revocation, it would have to be on the basis of clearcut evidence of overt acts on the part of the individual concerned. There must be something which flows from it.

One might say to a person if he becomes a Canadian citizen, having been born a citizen of another land, that if he should leave Canada for ten years, fail to report back, fail to reside again in Canada, or fail to register he will lose his Canadian citizenship. This, I believe, is what the act now provides. There would be, however, certain involuntary conditions which might be involved. One would be incarceration in another country for political offences where there really is no guilt. Another would be the question of poverty or illness and therefore the inability to return. True enough, one might say that a person could register at a Canadian consulate abroad. However, human nature being what it is I would say that it must involve much more than mere neglect. It would require an overt act on the part of the individual if he were to be deprived of his Canadian citizenship.

Mr. Knowles: Mr. Chairman, would the hon. member permit a question?

Mr. Lambert: Yes.

Mr. Knowles: Why in such circumstances should there be any difference between the citizen who was by law made a citizen because he was born here and the citizen who by law was made a citizen through naturalization? Both became citizens one way or another by law. Why should there be any difference between the two?

Mr. Lambert: I think this is one of the responsibilities of acquisition of citizenship. A distinction is made the world over between a person who was born and brought up as a United States citizen and a person who was born and brought up as a Canadian citizen. I use those merely as examples. I still feel there is a distinction. There must be a distinction between a natural born citizen and a person who has acquired citizenship. The person who has acquired citizenship can, by an overt act, be deemed to have renounced his citizenship. It must be because of an overt act. After all, the Canadian citizen has to carry out an overt act before he can be deprived of his citizenship. Therefore the person who has acquired Canadian citizenship is in no different position from another Canadian who can divest himself of his citizenship by an overt act. This is all I am saying.

Mr. Knowles: The hon. member now seems to be agreeing with me.

Mr. Lambert: No, there still is a distinction.

Mr. Knowles: If citizenship is a valuable thing, an important thing, and if it is to be respected, why should its rights and responsibilities not be equal for the person who receives it because he was born here and the person who chooses it and receives it by law?

• (5:50 p.m.)

Mr. Lambert: I still insist upon the fact that a Canadian citizen can live for 50 years in Timbuktu and never divest himself of Canadian citizenship but a person who has acquired Canadian citizenship cannot go and live for 50 years in Timbuktu without divesting himself of Canadian citizenship.

Mr. Bell (Carleton): That is not the case under this legislation and that is exactly what we are trying to remedy.

Mr. Lambert: I suggest to my colleague, the hon. member for Carleton, that he may be

right in his view, but I still have the right to dissent in this regard and therefore I am expressing my opinion just like anyone else. That is as far as I will go with the matter.

Mr. Herridge: Mr. Chairman, I have been prompted to take part in this interesting discussion because I heartily support the hon. member for Carleton's view that citizenship should be granted in many cases to those persons who have been denied citizenship because of their political beliefs. These persons would be entitled by our laws to sit in this house if they could get elected. I know of numerous cases of this type, although the number has been decreasing as the years go by. I know of persons with long residence in Canada who belong to certain groups, but because of gossip and certain information which has been spread they have been denied Canadian citizenship. In some cases they have even served in the defence of this country. I give the government credit because these matters are being reviewed from time to time and there has been improvement as the years have gone by.

I have listened carefully to the very interesting discussion that has been taking place and I should like to refer to something that happened in 1954 regarding my opposition to the granting of unlimited powers to the minister not only to keep people out but to bring people in against the advice of the immigration board. Let me quote a few lines in this respect, and this is a little difficult because I must quote myself from *Hansard* of June 26, 1954. At that time I was dealing with the case of five individuals who had been residents of Canada for six years. At that time they applied for citizenship and I had been informed that the board had ruled against their applications. As recorded at page 6808 of *Hansard* for June 26 of that year I said:

> Earlier in the session the hon. member for Winnipeg North asked certain questions in the house—

The then hon. member for Winnipeg North wanted to know about certain French nationals who had arrived in Canada as landed immigrants and had been in this country for six years. The questions were answered and the answers indicated that some of them had been guilty of murder and had been sentenced by French courts. In this regard I had this to say:

> In view of the law we cannot understand how these people were permitted to stay in Canada and how they were granted Canadian citizenship. We have in our possession copies of the judgments of the French courts, which were sent to us from Paris. I am not reading the judgments, but I am going to read a couple of lines with respect to the sentences in each case.

Mr. Harris, the minister of citizenship and immigration at that time asked which case it was. I went on to state:

> In fairness, Mr. Chairman, as I mentioned before, I do not want to give the names. I will send the minister my slip when I am through.

This is what I read, and I will give one or two examples. In one case the individual was sentenced to death in absentia while he was in Canada, for dealing in time of war with a foreign power with a view to encourage that power against France. That was Inspector Waffen of the S.S., a branch of the Gestapo. In another case the individual was sentenced to death and the forfeiture of all his property for treason.

At that time the French ambassador was very disturbed about the matter and went to visit the minister and other members of the cabinet. He also came to see some members of this group and presented these documents from the French courts which clearly proved that these men, having committed murder and assisted the German state against the state of France during time of war, entered Canada under false names with false passports and were provided with false visas. As recorded on the same page I had this to say:

> I might say that a high French government official stated they belonged to an organization who murdered the French minister, Georges Mandel, in the forest of Fontainebleau, massacred resisters, and betrayed allied parachutists who were hidden by brave Frenchmen who were shot. Some of these parachutists may have been some of our own men.

Regardless of this evidence these men were granted citizenship. This is another danger in giving unlimited responsibility to the minister in relation to granting citizenship under certain circumstances. Can anyone say why these men, who had been landed immigrants for six years, were entitled to Canadian citizenship? Certainly they were not because they had entered Canada with false documents and were proven by evidence and French court documents to have been guilty of various crimes and sentenced to death or life imprisonment. This is one objection I have to putting unlimited responsibility in the hands of the minister, not only in respect of keeping people out but also under certain circumstances of letting them in against the advice provided by responsible authorities. I have a great deal of correspondence regarding these cases in my office, but I do not intend to deal with it further at this time. This information came

from the French ambassador who was highly indignant about the situation.

We must be very careful in these matters, and I am more inclined to delve into the character of these people than the skills they may possess. I know of a chap who came here in 1956. He was a criminal in the country from which he came. He moved to the interior of British Columbia and it was not long before he committed another offence and was jailed. I went into this matter very carefully with other persons who had been associated with him and it turned out he was a very poor character indeed. Could anyone say that this man, after having been sentenced to jail in this country, should be entitled to Canadian citizenship? I was told not long ago that he was back in jail again. Would he have any right to Canadian citizenship? That man is a Canadian citizen today.

I took this matter up with the minister at the time and he said there was an agreement not to send persons back behind the Iron Curtain. I should like to know with whom that agreement was made because if I had anything to do with that type of man he would have been sent back long ago.

We are very fortunate in our part of the country in having an excellent county court judge who goes through these applications and records very carefully. I know of another individual who came here as an immigrant with a criminal record. Less than a year ago he applied to the county court judge for citizenship but was rejected on the basis of evidence provided by the chief of the Nelson city police. That man had been in quite a bit of trouble and it was very fortunate that his application was rejected. At the present time he is in penitentiary.

I know of another chap who arrived here six months ago on an assisted passage from a country in Europe. He had only been in the Kootenays for five months when he visited a doctor friend of mine, pulled out a long knife and stabbed him five times. It was only because of the courage of the doctor's female secretary that he escaped when she jumped on top of this assailant. This man was sent to a mental hospital from which he escaped quite recently. The police have had to place a guard on the doctor because the man is mentally deranged. The latest information I have is that he left Vancouver on a Spanish ship and I suppose has gone back to where he came from. We are "out" the amount of the assisted passage.

• (6:00 p.m.)

I am sure that all of us want all persons of good character who will make good Canadian citizens to come to this country. Personally, I value more highly a person being of good character than his lacking a few skills. I believe we must be more careful in some cases than we have been in the past. I am one of those who believe that Canadian citizenship, under the circumstances I have mentioned, is not a right. It is a right when a person has landed in this country as an immigrant and has proved the right to citizenship by good character and good behaviour.

In conclusion, Mr. Chairman, I wish to quote the words of a former secretary of state. I shall read a portion of his speech as recorded in *Hansard* of April 2, 1946, at page 505. The then secretary of state said:

> But there is no finer club in the world so far as we are concerned than the club that I would characterize as the Canadian family. We should want, therefore, to impress on new Canadians whom we shall welcome and want to share in our national endeavours that they are joining no mean society but a society that will give them freedom and an opportunity perhaps that they have not had in other lands, and at the same time to point out to them the nature of the obligation undertaken—

They accept obligations and responsibilities.

> —and tell them something of the kind of country and the kind of general political basis of the Canadian society itself.

I wholeheartedly support the words of the former secretary of state on that occasion. Before resuming my seat, Mr. Chairman, I simply say, let us welcome to this country all people of good character but let us make certain we do not in a few cases take into this country unwelcome landed immigrants.

Mr. Gray: Mr. Chairman—

Some hon. Members: Filibuster.

Mr. Gray: Just one second. I think all members of this house, whatever side they may be on, have a right to speak. In fact those members of the party forming the government have a particular responsibility in this regard because they may be judged more severely than other members by the public in respect of what happens in this house.

Some hon. Members: Six o'clock.

Mr. Bell (Carleton): I think we should proceed with the other business, Mr. Chairman.

The Assistant Deputy Chairman: Order. It being six o'clock, shall I rise, report progress and request leave to sit again later this day?

Some hon. Members: Agreed.

Progress reported.

Canadian Citizenship Act

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order. It is my duty, pursuant to provisional standing order 39A, to inform the house that the matters to be raised at the time of adjournment this evening are the following: The hon. member for Sherbrooke (Mr. Allard), Prime Minister—Inquiry as to bonuses for bilingual personnel; the hon. member for Argenteuil-Deux-Montagnes (Mr. Régimbal), Labour Conditions—Closing of the C.I.P. plant at Calumet, Quebec; the hon. member for Saskatoon (Mr. Brand), Industry—Request for assistance for Canadian film processors.

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.

Mr. Peters: Mr. Speaker, if it is the wish of the government we would be prepared to give consent to continuing with the legislation before us.

Mr. MacEachen: It is quite agreeable on this side of the house to continue with government business, Mr. Speaker.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: Order, please. I understand the hon. member for Lincoln wishes to move two motions.

CRIMINAL CODE

DESTRUCTION OF CRIMINAL RECORDS

Mr. Jim McNulty (Lincoln): Mr. Speaker, with the unanimous consent of the house I move, seconded by the hon. member for Chambly-Rouville (Mr. Pilon):

That the minutes of proceedings and the evidence taken during the past session before the standing committee on justice and legal affairs in relation to Bill C-192, an act to amend the Criminal Code (destruction of criminal records), be referred to the standing committee on justice and legal affairs and become part of the records of that committee when it is considering the subject matter of Bill C-115, an act to amend the Criminal Code (destruction of criminal records).

Motion agreed to.

MEASURE RESPECTING BIRTH CONTROL

Mr. Jim McNulty (Lincoln): Mr. Speaker, by unanimous consent I move, seconded by the hon. member for Chambly-Rouville (Mr. Pilon):

That the orders for the second reading of Bill C-122, an act to amend the Criminal Code (abortion) and Bill C-123, an act to amend the Criminal Code (birth control), being orders Nos. 108 and 109 respectively under the heading "Public Bills" on today's order paper, be discharged and that the subject matters of the said bills be referred to the standing committee on health and welfare.

Motion agreed to.

CANADIAN CITIZENSHIP ACT

AMENDMENTS RESPECTING RESIDENCE REQUIREMENTS, APPEAL COURT, ETC.

The house resumed consideration in committee of Bill No. S-4, to amend the Canadian Citizenship Act—Miss LaMarsh—Mr. Batten in the chair.

On clause 7—*Copy of decision transmitted to minister.*

Mr. Gray: Mr. Chairman, I did not raise this point when I spoke earlier in the debate because I feel this clause is almost an omnibus one covering a number of different areas. I want to draw the attention of the committee to what appears to me to be a conflict in drafting between the amended section 31, which is the last portion of clause 7 of the bill before us, and amended section 12 which is referred to in clause 3 of the bill.

When you look at the citizenship act itself, part II, you see that section 10 (1) provides that if a person satisfies the citizenship court of certain matters, his knowledge of English, that he is of good character, is a fit and proper person to be a Canadian citizen, and so on, the minister may grant a certificate of ciizenship. Section 12, which is referred to in clause 3 of the bill and is found in part II of the act, provides:

A certificate of citizenship granted to any person under this part, other than to a minor under the age of 14 years, shall not take effect unless that person has taken the oath of allegiance set forth in the second schedule, and that person shall become a Canadian citizen upon the granting to him of the certificate of citizenship or on his taking the oath of allegiance, whichever later occurs.

If you look at part VI of the act, under the heading "Procedure and Evidence" it gives the procedure to be followed by the court in considering the application of a person for Canadian citizenship under section 10 (1).

However, section 31, which is one of the concluding portions of part VI headed "Procedure and Evidence" and is amended by the bill before us, provides in the last part:

—a certificate of citizenship may, in the discretion of the minister, be granted to the applicant and the certificate shall be delivered to the applicant and the oath of allegiance taken by him as prescribed by regulation.

It would seem to me there is some kind of conflict here. Section 12, to which I have referred, seems to call rather specifically for the person granted the certificate to take a specific oath in a specific form referred to in a schedule to the act before he can become a citizen. Section 31, in the last portion of clause 7 which we are about to dispose of, would appear to say that an oath of allegiance is to be taken under exactly the same circumstances but it can be prescribed by regulation.

• (6:10 p.m.)

This may be only an apparent conflict which can be explained by the parliamentary secretary or the minister after receiving appropriate advice. However, I feel it should be dealt with, particularly since the minister in answer to a question of mine said that in spite of the seemingly specific requirement that a person becoming a citizen must swear allegiance through an oath to the crown and the country he can affirm if the taking of the oath is against his religious beliefs. The basis of that answer was an opinion given by the Department of Justice.

I realize there are various procedural inhibitions with respect to references in this house to the exact terms of an opinion by the Department of Justice. However, I am rather doubtful that a specific reference in legislation calling for the taking of an oath in exact words can be overridden by an opinion by the Department of Justice. To help expedite the completion of consideration of this bill I would be willing, at least on an interim basis, to accept the minister's assurance on this point. However, since the citizenship act, as amended by the proposals before us today, will form the basis for the granting of Canadian citizenship for some time to come because of the delays to which the minister has referred in preparing a completely new act, I believe we should have some reassurance, first, as to what is involved in this apparent conflict between the wording of the sections which mention the form of oath and, second, what appears to me to be the clear wording in the act that oath of allegiance must be taken by persons who wish to become citizens of this country and the minister's statement that they can do this either by oath or affirmation.

[*Translation*]

Mr. Béchard: Mr. Chairman, the hon. member for Essex West (Mr. Gray) seems to think there is a certain conflict between Section 12 of the Canadian Citizenship Act and Clause 31 of the bill now under consideration. Section 12 of the act stipulates that:

[*English*]

A certificate of citizenship granted to any person under this part, other than to a minor under the age of fourteen years, shall not take effect unless that person has taken the oath of allegiance set forth in the second schedule—

[*Translation*]

Mr. Lambert: But the oath—

Mr. Béchard: Pardon me?

Mr. Lambert: But the oath involved is required by the act.

Mr. Béchard: Yes, and the hon. member for Essex West says there seems to be conflict between the two—

Mr. Lambert: Yes, I agree.

Mr. Béchard: —and the clause in the bill which is substituted to section 13 of the act stipulates:

—unless the person is under oath—

And, here, it says, "until the applicant"—

[*English*]

—until the applicant has taken the oath.

[*Translation*]

And section 12 says: unless that person has taken the oath with regard to an application. An oath had to be sworn by the applicants, and that is in order not to confuse the oath sworn when the person was making an application, either for himself or for someone else, with the oath of citizenship which is sworn when the person is granted the certificate of citizenship.

Mr. Lambert: But would not the parliamentary secretary share the views of the hon. member for Essex West (Mr. Gray), as well as mine, to the effect that there might be a difference between the oath of allegiance set forth in the second schedule of the act and that which is prescribed by regulation as indicated in section 31? We are told: The oath of allegiance is required by the act, in the second schedule, according to section 12, but

it is said in section 31 that an oath of allegiance is prescribed by regulation. That does not make sense.

Mr. Béchard: Section 31 refers to the oath of allegiance to be taken by any citizen granted the Canadian citizenship.

Mr. Lambert: Are you satisfied that there is no doubt that the oath of allegiance referred to in section 31 is exactly the same as the one set forth in the second schedule, as prescribed by section 12.

Mr. Béchard: I am informed that the department and the minister are satisfied as far as the meaning of the bill is concerned.

Mr. Lambert: Yes. It might well be that the person who drafted the act, or some unskilful person, has created a doubt here because when one refers to the English version—

[*English*]

—and the oath of allegiance taken by him as prescribed by regulation. Do the words "as prescribed by regulation" apply to the form of the oath of allegiance or to the form of taking the oath? I know the hon. member for Essex West has some doubt, as I have. If it is clearly indicated in the proposed section 31 that there is no difference in the form of the oath of allegiance, then I am satisfied, but at the present time there is that doubt in my mind.

[*Translation*]

Mr. Béchard: There is no change in the form. The oath of allegiance is in the same form as in the act which we are amending. The bill is not amending the manner of taking an oath; it simply refers to the oath which new Canadians who have just been granted a certificate of citizenship must normally take.

[*English*]

Mr. Gray: Perhaps we may have to wait until we get a new citizenship act to have this point resolved. I certainly accept the good will of the parliamentary secretary in trying to give an explanation. It may well be that the conflict is more apparent than real. Before we leave this clause I wonder whether he might give some explanation as to why the department is relying on the opinion of the Department of Justice with respect to the right of a person to affirm rather than take an oath, rather than have a specific provision in the citizenship act in this regard, thereby having an even greater impedance to something which is fundamental to all of us in this country, something that is linked to freedom of conscience, freedom of religion.

• (6:20 p.m.)

[*Translation*]

Mr. Béchard: Mr. Chairman, as the minister mentioned, and as I mentioned myself at the beginning of this study this afternoon, consideration is being given to making an over-all revision of the citizenship act, which will be a wonderful opportunity to satisfy the requests of the hon. member and of other members of the house in this field.

Mr. Mongrain: Mr. Chairman, I have but one rather short comment to make on the exchange which took place a few moments ago between the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Edmonton West (Mr. Lambert). I found it fantastic that the hon. member for Winnipeg North Centre should ask the hon. member for Edmonton West: Why is there a difference between a native-born Canadian citizen and a Canadian naturalized under the Immigration Act?

That is self-evident. Such a question is so naive that it is almost incomprehensible, for after all, Mr. Chairman, there are natural laws against which nothing can be done. Take for example the case of a son or daughter of a family, born in that family, a natural child—in the non-pejorative sense of the word—who has ties of blood with his parents and natural rights which do not need to be conferred upon him. Suppose that, in the same family, the father and mother decide to adopt a child. The adopted child may enjoy the same privileges as the other children, because they have been granted him, because he benefits from the privileges of the sons born to that family. Nonetheless, there will be no ties of blood in the second case, and the adopted child will only become a member of the family through the generosity of the parents who decided to adopt him.

It is the same thing, I think, for an immigrant who wants to become a Canadian citizen. If the country decides to grant him the favour of adopting him then, I think, he will be given the same privileges as others, but until the title of Canadian citizen has been granted to him, until he has taken the oath required in the circumstances, he is not entitled to demand it. It is a gift. But those who were born in this country have a natural right, they are natural members of the family, they are kith and kin, and nothing holds

against that. That is natural law, Mr. Chairman.

That is why I find fantastic the claim of those who say that immigrants coming here should have the right to demand Canadian citizenship, to be treated like the others. I do not think it is reasonable to ask this. They are already given much by being accepted and adopted here in the country, so let them meet the conditions.

[*English*]

Clause agreed to.

Clauses 8 to 13 inclusive agreed to.

The Chairman: Shall the title carry?

On the title—

Mr. Bell (Carleton): Before the title carries, Mr. Chairman, I wonder whether the Secretary of State would indicate if she would consider some further amendment which would deal with the question of children born abroad of Canadian citizens. This is, as she knows, a matter which was debated on Bill No. C-2 during private members' hour. Would she be ready to consider that bill or would she give some commitment that she would give urgent and early study to it?

Mr. Béchard: In answer to that question, Mr. Chairman, at the request of the minister may I assure the hon. member that a few days or weeks ago the Secretary of State agreed with the point raised by the hon. member for Carleton when he presented his bill to the house. Actually the trouble is the battle that the minister has with the department.

Mr. Mongrain: Mr. Chairman, I have a question for the parliamentary secretary.

[*Translation*]

Mr. Chairman, I should like to ask the parliamentary secretary the reason for that clause 13. I apologize if I sound a little simple-minded, but I simply cannot see why we have changed the text of the legislation which said:

"vingt années avant"

to say now

"vingt années immédiatement avant".

There must be a reason for that, and that is what I should like to know.

Mr. Béchard: Mr. Chairman, it is simply to correct a deficiency of the French text which does not agree with the English text. In English, it is mentioned:

"immediately before"

and, in French:

"vingt années avant."

Mr. Mongrain: Mr. Chairman, instead of changing the French text, why not change the English text? What I want to know is the reason for saying:

"vingt années immédiatement avant".

apart from making the texts agree? We could make them agree the other way also by changing the English text. There must be a reason which requires that it be:

"vingt années immédiatement avant".

and there is no intermittence.

Mr. Béchard: Mr. Chairman, the hon. member is speaking of two completely different things. The act says:

—vingt années immédiatement avant—

And the hon. member would like to have this expression replaced by the following:

vingt années avant.

Mr. Mongrain: Mr. Chairman, I do not suggest that these words should be replaced, but I wonder why it must be:

—immédiatement avant—

Mr. Béchard: Mr. Chairman, why does the hon. member want the word:

avant

to replace the words:

immédiatement avant.

[*English*]

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time?

Some hon. Members: By leave, now.

Miss LaMarsh moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

Mr. Deputy Speaker: The Chair is in some difficulty as to what the house wishes to do at this time.

Mr. MacEachen: Mr. Speaker, I have a suggestion to make to the house. If the house wishes we can continue with government

business and call the Cape Breton Development Corporation bill which is the next item. If hon. members are willing we can carry on with government business until seven.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

CAPE BRETON DEVELOPMENT CORPORATION

PROVISION FOR TAKING OVER COAL UNDERTAKINGS, DEVELOPING INDUSTRY, ETC.

The house resumed, from Tuesday, June 20, consideration in committee of Bill No. C-135, to establish the Cape Breton Development Corporation—Mr. Pepin—Mr. Batten in the chair.

The Chairman: When the committee rose on Tuesday, June 20, clause 19 was under consideration, clauses 2 to 18 having been agreed to.

On clause 19—*Payments by Minister of Finance.*

Mr. Hales: Mr. Chairman, when we were discussing clause 19 I brought to the attention of the committee the appointment of an auditor for the corporation. I would be prepared to hold my amendment until we reach clause 33 on page 16 of the bill as I think it would fit in there better than under clause 19.

Mr. Pepin: It also concerns clause 31.

Clause agreed to.

Clauses 20 and 21 agreed to.

On clause 22—*Objects.*

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, I am sure that members from the east are looking forward to the statement which the Prime Minister promised this afternoon would be made by the minister of mines in connection with whether the government had made a decision on the stockpiling of steel at the Dosco plant at Sydney to alleviate the very serious unemployment situation there.

Mr. Pepin: Mr. Chairman, we are facing the same situation that my hon. friend faced the other night when we resumed study of the bill rather prematurely. The Minister of Industry is not available at this moment and he was going to make a statement on this subject. Could we stand clause 22 and continue?

[Mr. MacEachen.]

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, I understand the situation that the minister is in. There are times when things move a little faster than might be expected and then you find yourself involved in committee meetings, as perhaps the minister is. Undoubtedly he is busy at the moment.

Mr. Pepin: He is on his way down.

Mr. Muir (Cape Breton North and Victoria): I had hoped to say a few words on clause 22, Mr. Chairman, and to deal with a number of matters with particular reference to Dosco. I wanted to point out to the government and particularly to the minister that there have been difficulties with this company previously at a time when he was not a member of this house. However, before going into this matter, which is rather involved, I had hoped there would be an opportunity to hear the statement. I could reserve my rather extended comments until the statement is made.

• (6:30 p.m.)

I see the minister entering the chamber. We welcome him. I understand that the Minister of Industry is to make a statement about stockpiling. We see his smiling face as he walks through the house and I trust that we shall continue smiling after he has made a statement.

Mr. Drury: Mr. Chairman, may I commend the committee on the rapid progress it has made. May I thank the hon. member for his words of welcome. I hope that the hon. member for Cape Breton North and Victoria will be equally commendatory when I have finished my statement.

On June 22 the Prime Minister undertook that a statement would be made this week on steel producing operations in the Sydney area of Cape Breton. We have been giving this matter consideration for some time because we realize the importance of this industry to the local economy.

It would appear that the problem in Sydney arises from a number of factors, including some softening in the market not only in Canada but in most countries for some of the kinds of steel which Dosco Steel Limited produces. Because the Sydney plant is at a considerable distance from the main Canadian markets for steel, the company faces keen competition from most other domestic producers who are closer to these markets. The company reports that it has been rationalizing its operations in order to improve its ability to meet increased competition from Canadian

and other producers, and this also has affected the situation.

Furthermore, faced with increasing competition and declining prices in its main marketing areas the company says it has taken steps to improve the productivity of its operations at Sydney which have resulted in some curtailment of the numbers employed.

In addition, there is a world-wide overcapacity of steelmaking facilities, and imports of certain steel products into the areas of Canada which are readily accessible by sea have been increasing. These areas are also the main markets in which products made from Sydney steel are sold. It has been said by Dosco that some of the imports may involve dumping and the Department of National Revenue has been asked to undertake an appropriate investigation as quickly as possible.

It is evident from these facts that the problem in Sydney relates not only to general market factors, but equally it relates to special problems for this company. In these circumstances, the government has come to the view that stockpiling of Sydney steel does not provide a solution to either of these problems. Moreover it would not be an appropriate measure for the federal government to initiate in these circumstances.

We do not believe, however, that there is a long term general problem in Canada affecting the steel industry as a whole. Rather, the problems affecting the steel operations in Sydney, although aggravated by the current market situation, appear to be of a special nature.

Because of the complexity of the problem it would seem to me that if a thorough study of the steel industry in Cape Breton were available, this would make it easier for the responsible authorities to examine the problem in a more informed way.

It is of course recognized that the government of Nova Scotia has the prime responsibility for the special problems of industry within that province, but if it were the wish of the government of Nova Scotia to undertake a study with respect to the steel industry the Department of Industry would be ready to co-operate. In fact the government of Nova Scotia, working in co-operation with various federal departments and agencies and the company, has already done some work in this field.

I should report, Mr. Chairman, that a number of federal activities have already helped to bring new industries to Cape Breton. Under the federal area development program, applications have been approved involving new investment in manufacturing industry of some $132 million. These facilities will create new jobs in Cape Breton. Among the new plants is a new heavy water installation, plus an expansion of the existing heavy water plant even before it went into production.

A motorcar assembly plant is nearing completion and is scheduled to have the first cars come off the assembly line in September.

There have been a series of discussions between federal representatives and British American Oil Limited which have resulted in the company announcing that it plans to establish a refinery in Cape Breton. Also a large chemical producer has stated that it intends to establish a $7 million chemical plant in the area.

The bill we are now debating will have, as one of its main objectives, the establishment in Cape Breton of efficient and viable industries to provide new jobs in that community. I hope the house will pass this bill as quickly as possible so that the corporation may get on with the important task of developing in that region industries capable of competing in Canada and abroad.

I need not remind hon. members that, in the meantime, the activities of the corporation will be assisted by the very extensive programs for training and retraining and other activities to stimulate employment.

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, after hearing the minister's statement I cannot say that we shall continue smiling, but I realize that the government has had, and still has, a difficult situation to face. There was a hard decision to be made. The minister realizes, I think, that the presentations of those of us from Sydney, in the opposition, were with a view to seeing what we could do to alleviate the situation in the short term.

I noted the minister's comments. He spoke of the reasons for slackness at this moment in that industry. He referred to the softening in the market, to the keen competition, to the fact that the company is rationalizing its operations. He said that there has been curtailment in the numbers of those who are employed.

As will be evident if one reads statements and replies to questions of the Minister of Industry, on different occasions he has tried, to minimize the numbers who have been laid off and have become unemployed. The unemployed are numerous.

He said that stockpiling will not bring about a solution to the area's difficulties, and we understand that. It will not bring about a solution; yet we thought it would provide some short term solution which was necessary to get the men who have been laid off back to work. I am encouraged by the minister's statement that the federal government, in conjunction with the province, is willing to undertake a study of the steel industry in Nova Scotia. For some weeks, inside the house and outside, I have been urging the government to do that, to inquire into the steel industry, to look into the whole situation with which we are now confronted and which has confronted us for some years. Only last Friday in the house I called on the government to appoint a royal commission to look into the steel industry in Nova Scotia.

Someone has said that royal commissions take a long time to bring in recommendations. I felt that something had to be done. The government will agree, as will the minister I hope, that something does need to be done. Certainly, we should take the initiative and take steps to find out what may be done with regard to the steel industry in Nova Scotia.

• (6:40 p.m.)

We are pleased that certain corporations have seen fit to come into the area. I have no doubt arrangements for this were worked out through co-operation between the federal and provincial governments. I would point out, however, that the incentives which have been provided by the federal government are no greater in the Atlantic provinces than they are in other parts of Canada, and I suggest this means that in fact it was because of the encouragement given by Industrial Estates of Nova Scotia that these firms decided to locate in Nova Scotia rather than in Ontario and other places where there are designated areas.

With reference to the passage of this bill through the house, the minister will find, if he checks *Hansard*, that at least on one or two occasions, if not on several occasions, we suggested that debate should be continued after ten o'clock. There have been other matters which have prevented our getting ahead with this legislation. At any rate we are honoured this evening, and I hope that before ten o'clock comes it will have been possible to pass the bill.

The minister mentioned training. This again is an important item. We in Nova Scotia are confronted with difficulties in this connection because there has been so great an influx of unemployed people on to the labour market, people looking for training, that the facilities now available are apparently taxed to capacity. I must say that since April 1 when the Department of Manpower and Immigration became responsible for the federal side of this operation we have not had the same degree of co-operation with regard to getting people into training as I believe we should receive. This was mentioned only today during the question period, and only recently I had occasion to write a letter to the regional director in the maritimes drawing attention to the number of people who are waiting for training and were unable to find out just what had happened to their applications for training. It is true the department has not been set up for very long, and there may be a need for better liaison between Ottawa and the regional and local offices. I would urge the minister to expedite action in connection with applications for training wherever possible in co-operation with the provincial authorities; I think the term used by the Department of Manpower and Immigration is "buying training" for those concerned.

That is all I have to say with regard to the minister's statement. We are of course disappointed that the government has not seen fit to stockpile steel as was recommended. At the same time, I can understand that the government had a difficult decision to make in this connection. I am pleased the minister has agreed to a study being made. I hope contact will be made between his department and the provincial authorities, including the premier of Nova Scotia, and that we may go ahead post haste with this study of the steel industry.

With reference to clause 22 itself, perhaps I might put the wording on record at this point.

> The objects of the corporation in relation to the Industrial Development Division are to promote and assist, either alone or in conjunction with any person or the government of Canada or of Nova Scotia or any agency of either of such governments, the financing and development of industry on the Island of Cape Breton, to provide employment outside the coal producing industry and to broaden the base of the economy of the island.

The term "industry" would, I presume, mean any industry, and of course the steel industry would be involved. Quite apart from the study which is to be made I hope that when the corporation is set up there will be no need to await the complete results of such an inquiry, but that efforts will be made by the corporation to go ahead with the provision of any assistance they can possibly give

We have tried to improve the legislation by the inclusion of the McBean mine, which was mentioned again in the house today. These efforts have been spearheaded in a very capable manner by the hon. member for Pictou. We have not been successful. In dealing with other clauses we have referred to the question of pensions for retired coal miners who are now living on mere pittances from the Dosco Corporation. I hope the minister is listening very carefully to the pleas.

We have discussed the question of alternative employment with the object of ensuring that it would be provided much earlier than is foreseen in the bill. The minister has assured us that everything possible will be done in this direction. With regard to the McBean mine he has told us that a comprehensive and generous attitude will be adopted. In this connection, the Halifax *Chronicle-Herald* says:

> Mines Minister Pepin told the Commons yesterday the federal government intended to "take a comprehensive and generous attitude" concerning McBean colliery in Thorburn without including it in Ottawa's take-over of the Dosco pits in Nova Scotia.

In the course of this debate we sought to emphasize the importance of the steel industry and the reasons we felt it should be included among the undertakings for which the Cape Breton Development Corporation will be responsible. But the minister and the government felt otherwise. The impression which some of us on this side have gathered, namely that steel might be included, had its origin in a statement which was made in January last by the Prime Minister himself. This statement was reported in the Halifax *Chronicle-Herald* of January 13 under the headline "Ottawa Prepared to Consider Total Dosco Take-over—P.M.". I should like to read this report into the record for the information of the committee and of the country in general. Under the subheading "Inclusion of Steel Possible", it states:

> Prime Minister Pearson indicated to the Commons yesterday that the federal government is prepared to consider bringing the whole or part of the Dominion Steel Coal Corporation Ltd., rather than merely its coal operations, under public ownership.
>
> Answering a question from Donald MacInnis (PC—Cape Breton South) on whether the present plans for taking over the company's collieries could be extended to include its steel production assets as well, Mr. Pearson told the House: "This will be one of the aspects of the question that will be considered" when the entire matter is brought before the House soon for a special debate.
>
> The prime minister did not make it clear he was referring to Dosco's Cape Breton assets only, or whether the government was also prepared to consider pubic acquisition of the company's mainland operations, which include the Halifax Shipyards, the Trenton steel fabrication plants, and a steel rolling mill at Contrecoeur, Que.
>
> Later, when pressed by N.D.P. Leader Douglas and Robert Muir (PC—Cape Breton North and Victoria) for a more specific statement, the Prime Minister added:
>
> "Any program of industrial development will include the whole area and all industry, and any discussion of this matter would naturally include discussion of economic and industrial development generally ... the program that I have been talking about deals primarily with the coal industry and industrial and economic development in the area, and all factors that concern economic and industrial development will be under consideration."

From this, Mr. Chairman, you will see that if we, as members, got a wrong impression we were not alone in this respect; it was shared by writers in newspapers who obtained the same impression. It may be a matter of semantics, or otherwise. We now realize that the government has not seen fit to include steel in the legislation, and we hope other steps will be taken, as already mentioned by the minister.

• (6:50 p.m.)

Because the minister was not in the house when the events I am about to relate took place, I should like to place on the record, for his information and that of the members of the Cape Breton Development Corporation, an account of the attitude of the Hawker-Siddeley group when they acquired control of Dosco interests in 1957. I have here a photostat copy of the Cape Breton *Post* of Wednesday, October 30, 1957, which has a report headed "Expansion Planned—Roe Out to Make Dosco No. One Steel Producer". The report reads in part as follows:

> Sir Roy Dobson, board chairman of A. V. Roe Canada Ltd., said Tuesday his firm would do its best to make the Dominion Steel and Coal Corporation the top producer in Canada.
>
> "We are determined to do whatever we can to raise the status of Dosco which has slipped to third position in Canada," Sir Roy said.
>
> "We want to see this company in first place and I see no reason why it should not be in that position. You have a good plant here, a good working force and yet something is holding things back. If it's money you need, show us that the money is necessary and it will be forthcoming."
>
> Sir Roy spoke at an informal noon luncheon at the Isle Royale Hotel at which Roy Duchemin, publisher of the Cape Breton *Post*, was host. In attendance were community, civic, union and government leaders ...
>
> Sir Roy, who speaks in the salty manner of the working man from Lancashire, promised his company would strive for immediate expansion of Dosco's facilities.
>
> "Expansion can be achieved with the united support of the workers in the steel industry and the officials in charge of operations. The 'men in the grease' will have as much to do as management."

President Crawford Gordon said that as far as expanding Dosco is concerned "everything will be done that can be done." "Dosco presented a challenge and we accepted it," he said. "We came here in a spirit of co-operation to help your great enterprise."

The Roe group, whose decisions now will affect one out of every five persons in the Atlantic provinces, made no elaborate promises. No concrete policy details were released but it was learned that the basic policy will be laid down at a meeting of the Dosco board of directors in Montreal Friday.

The meeting has been called to elect a new board. It was learned that R. A. Jodrey, the Hantsport industrialist who led a fight against Roe's acquisition of Dosco, will be removed from the board.

I can only say, Mr. Chairman, it is most regrettable that Mr. Jodrey was not successful in preventing the Roe group from getting hold of Dosco.

I quote further from the report:

The Dosco management tendered the visitors a reception at the Isle Royale in the evening. It was at this gathering that Sir Roy Dobson laid it on the line.

"We are not financiers," he said. "We are just ordinary engineers who started by pushing a file on a bench. We are not here as part of any financial racket. If we can't do some good for Dosco or the community we don't want to be here."

He said he was convinced Roe could help Dosco in all its operations.

"We will extend markets and facilities and give Dosco the equipment it needs."

In the ten years of operation by Sir Roy apparently the facilities have not been given and the equipment has not been provided. The equipment has been allowed to deteriorate. Everything has been allowed to run down.

I continue the quotation:

"We will ask the heads of departments for their opinions. We need your guidance and loyal support. If this is coming you won't be sorry you joined our company."

Regrettably many who joined the company have been worried, and many excellent men have left the corporation to find employment elsewhere, where they felt they had a future.

I continue quoting from the report:

He emphasized this point:

"You are dealing with practical people. We expect a day's work for a day's pay.

It is interesting that in ten short years the enthusiasm which these people had has disappeared. They have not lived up to their commitments. They have not by any means lived up to their grandiose promises. Therefore, as I said the other day, I feel there should be a study or an inquiry made by a royal commission, or at least some action taken by both the federal and provincial governments to find out what these people are going to do. Are they going to use the inhabitants of Cape Breton as pawns and suit themselves in whatever they want to do? Are they interested in taking the best out of the industry, not putting anything back into it, and then getting out?

These people have a social responsibility. They have a moral responsibility to the people of the area, and to governments. To my mind the former federal government and the present one have on occasion been more than generous in trying to assist this corporation. All the people of the area are asking for is a fair deal. As I said the other day, they cannot get information from the company. We have the president of Dosco making one statement, and the Minister of Industry making another, contradicting it. Apparently there is not good communication between the government and the corporation. Therefore some good would come out of the study I have suggested.

May I call it seven o'clock, Mr. Chairman.

The Chairman: Order. Pursuant to standing order 6(2) the committee is suspended until eight o'clock.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order. House again in committee of the whole on Bill C-135, an act to establish the Cape Breton Development Corporation. When the committee rose at seven o'clock clause 22 was being considered.

Shall clause 22 carry?

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, prior to the dinner adjournment we were dealing with clause 22 and I felt, since the word "industry" appeared in this clause, that this would be a good time to deal with the steel industry and to place on the record statements which had been made by Sir Roy Dobson of the Hawker Siddeley group, and others, because when they came into the province of Nova Scotia in 1957 they had such wonderful statements to make concerning the steel industry in the maritime provinces and particularly in Sydney, Nova Scotia, where Dosco has its operations.

In the past ten years there has been no similarity between the statements they made,

and their actions. Therefore, Mr. Chairman, I felt that these statements should be placed on the record for the benefit of the committee, the government and the people of the country in general so that they would have a little understanding of the reason we feel rather resentful with regard to the actions of this corporation.

Instead of Sydney being made the Pittsburgh of Canada, as was suggested on one occasion the working force in Sydney has been continually declining, and some of the operations have been removed from the steel plant at Sydney to other parts of Canada. There has been a steady deterioration in the operations. At one time this steel plant employed slightly over 5,000 people. Within the past year, or less, we have seen the work force reduced from over 3,000 to now a little over 2,000, with the most recent lay-offs.

Before the dinner hour we had the announcement from the Minister of Industry with reference to the question of stock-piling. We had been pressing for action in this regard, and in addition representations had been made by a delegation from the steel industry in the city of Sydney and surrounding district. The government has refused to take the action we requested. However, they have decided to initiate a study of the steel industry in conjunction with the provincial government.

• (8:10 p.m.)

Now, Mr. Chairman, to continue to give a little more of the background of this corporation, I should like at this time to place on the record a quotation from *Hansard* of January 23, 1959. Of course I will find it necessary to quote myself and, like the hon. member for Kootenay West who apologized when speaking this afternoon on another subject, I should like to apologize to the committee. I feel that the speech which I made at that time, eight years ago when the party which I support was in government, is as apropos the situation today as it was at that time. The part I wish to quote begins at page 284 of *Hansard* of January 23, 1959. I had been dealing with difficulties in the transportation field in moving goods from the Atlantic provinces to central Canada, and I said this:

> We need government action to help to alleviate these problems but by the same token I feel that we should have the utmost co-operation from those who are involved in our industrial life. I repeat that we should have the utmost co-operation from those who are involved in our industrial life.
>
> I stated on Tuesday last that to my mind the actions of the A. V. Roe company since acquiring control of Dosco last year were questionable, and at this time I should like to elaborate on why I made a statement of that nature and why I should have these convictions. I feel that there are many thousands like me in Nova Scotia who hold the same convictions because of the action, or should I say lack of action, on the part of the new controllers of our destiny. There are 150,000 people in Nova Scotia—

This says in Nova Scotia, but it should say in Cape Breton. It continues:

> —dependant on this great corporation even for their very livelihood. It came to Nova Scotia with the deed of ownership to Dosco securely tucked in its pocket, with promises and assurances of better days. There were fears expressed in many quarters that the coal, steel, shipbuilding and railway car manufacturing industries would be carted off to the central provinces as has happened before under new ownership in the case of our industries. But Avro spokesmen said that this was an unwarranted fear. In one of his official press releases Avro president Crawford Gordon said:
>
> "We have but one aim, to expand this Canadian enterprise so that it will be stronger, more enduring and more profitable to its shareholders and employees and, at the same time, contribute something strong, solid and substantial to the development of the Atlantic provinces and their people."
>
> These are very fine words. This statement prompted Nova Scotia premier Robert L. Stanfield, after Avro's campaign for Dosco control had succeeded, to state:
>
> "You have stated your confidence in this area and your intention to develop Dosco as a maritime enterprise. We accept your assurances and we look forward to a happy association which will be beneficial to us and profitable to you. You realize, I am sure, that Dosco is not just an industry in the ordinary sense; it is the staff of life for many communities in Nova Scotia. It is something much more than just a matter of dollars and cents. I am sure that in assuming control of Dosco you have accepted in full the major responsibilities that go with that control."

I am very sorry to say that this corporation has not accepted the major responsibilities that went with its acquisition of the control of Dosco. I then stated:

> But what have we found since that time? Despite its avowed policy of getting out and selling coal, enforced holidays were imposed on our miners last year. This came after a series of denials by company officials that any cut-backs would be necessary. The miners were asked to boost their production. This they did. What did they get in reward? Lay-offs. Is it not a strange coincidence that these lay-offs should occur right in the midst of the wage negotiations now going on?
>
> At this point I should like to refer to the co-operation that has come from the coal miners of Nova Scotia. There has not been one strike in the coal mining fields of Nova Scotia since 1947.

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. member, but the time allotted to him has now expired.

Some hon. Members: Carry on.

The Assistant Deputy Chairman: Does the committee give its unanimous consent to the hon. gentleman continuing.

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): Who is continuing, Muir or Stanfield?

An hon. Member: It does not matter, it has the same effect.

Mr. Muir (Cape Breton North and Victoria): I wish to thank you, Mr. Chairman, and members of the committee, for allowing me extra time. Of course no one ever listens to the hon. member for Rosedale, not even members of his own party, so I will ignore what he has said.

Mr. Macdonald (Rosedale): Even fewer listen to you.

The Assistant Deputy Chairman: Order, please.

Mr. MacInnis (Cape Breton South): The minister had better put the run on you if he wants any co-operation.

Mr. Macdonald (Rosedale): I had better not heckle the young man, he is so sensitive.

The Assistant Deputy Chairman: Order, please.

Mr. Muir (Cape Breton North and Victoria): Thank you, Mr. Chairman, for putting the juvenile member for Rosedale in his place. I appreciate that and thank you very much.

Mr. Macdonald (Rosedale): The hon. member is very sensitive, Mr. Chairman, so I will leave him alone.

Mr. MacInnis (Cape Breton South): You had better put your foot on him, Pepin. Put your foot on him now.

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, let me continue the quotation from *Hansard* of January 23. I was referring to the co-operation that had come from the coal miners, and had referred to the fact that there had not been a strike since 1947. I then said:

> As I have said, the coal miners have co-operated in every way possible. They have maintained a hold-the-line policy as far as wages are concerned. They have certainly done their part.
>
> To return to the corporation, despite its fervent pledge to contribute something strong, solid and substantial to the development of the Atlantic provinces and their people, Avro took a decision to erect a $20 million steel plant outside Montreal.

[The Assistant Deputy Chairman.]

> What about its Sydney steel plant? We are told that it will benefit in that it will be asked to supply the raw steel for the finishing plant in Montreal. But will the Sydney plant be called upon to supply that raw steel or will it be acquired from other steel mills closer to the plant at Montreal? I have reason to believe it will be some time after the Montreal mill is opened, a long time at that, before Sydney's plant will supply the new gigantic mill in Montreal.
>
> Now we are faced with another lay-off in our coal industry. This seems to Nova Scotians to be out of keeping with the professed determination of Avro to contribute something strong, solid and substantial to the development of the Atlantic provinces and their people.
>
> Mr. Speaker, Avros spokesmen have been dealing Nova Scotians a continuous hand of conflicting statements.

Mr. Chairman, I may say they are still dealing a hand of conflicting statements at this time, ten years after those words were spoken. The quotation then reads:

> "We want to progress", they say, and then they lay off our workers. "We will not do anything to hurt the maritime economy", they say, and then they shift the heart of their steel-making industry from Sydney to Montreal. Nova Scotians have begun to hold new fears and doubts about the intentions of the Avro organization. The only expansion proposed by this company is a cold rolling mill near Montreal.
>
> In addition to this, a series of company statements issued in recent months make it apparent that the company entertains long range plans for a basic steel plant on adjacent property. If this comes to pass, then the future of Sydney as a major steel production centre will not be bright. When blast furnaces join the Montreal units to provide fully integrated operations in central Canada, what will happen to Sydney?

That is the question we are asking today everywhere in Nova Scotia and other parts of the maritimes. What is going to happen to Sydney? Let me continue with the quotation:

> The Avro organization was born and has been nurtured on government contracts. The company has grown as a result of these government orders to become one of the giants of Canadian industry. Is it reasonable, then, to expect that such a company should be among the first to gear its productive power to the wishes of the government and the public? Is it unreasonable to ask Avro to develop maritime economy and contribute towards the decentralization of industry?
>
> It is my view, and one that is shared by many Nova Scotians, that the government has a right to expect co-operation from Avro and other companies that have thrived on government work. Since this government took office in 1957 it has offered material assistance to Avro and its subsidiary, Dosco.

I made this statement when we were in office, but I have no doubt that the present government has offered and continues to offer some type of assistance to the corporation. I hope that as a result of a study of this matter we can get to the bottom of the problems, and

find out what is to happen at Sydney. Let me finish the quotation in this way:

In conclusion, I should like to refer to the statement of Sir Thomas Sopwith, chairman of the Hawker Siddeley group which controls Avro, made at the annual meeting. I quote:

"One final word on Canada. Your interests there are in good hands, with the company being well and efficiently managed by a team of energetic young and capable Canadians. The future of Canada is bright and glowing with promise. Because of the spread and the diversification of our holdings in Canada, it is our belief that your company is well placed to grow and to prosper with Canada itself."

• (8:20 p.m.)

If you read that statement, Mr. Chairman, it looks so wonderful. It sets out all the things they were going to do with reference to steel and their holdings when they acquired control of Dosco. But I regret that these things have not happened. We have seen lay-off after lay-off and the removal of equipment from their plants to central Canada. I continue quoting from my speech:

Does this mean that we in the maritimes will share in this growth and prosperity to which he refers, or does it mean more closed mines and possibly a closed steel plant?

These words were spoken ten years ago. I continue:

Does this mean a new series of conflicting statements which are damaging to the morale of the people who live in the maritimes? Does this mean that their boasting in a recent issue of the Halifax *Chronicle-Herald* about their assets really indicates that Dosco is going bankrupt? Does this mean that the company will encourage its salesmen to get out and try to sell more coal, or does it mean we will be importing American coal into the maritimes to the very back door of our own coal mines? Does it mean perhaps that the proposed march on Ottawa by the coal miners of Nova Scotia should be diverted to the company's head office in Montreal or even to London—although I thought we were no longer colonials? Does this mean that despite the utmost government co-operation which has been forthcoming Avro will continue to mislead many breadwinners who are dependant on the company for a livelihood? Does it mean that, at long last, the people of Nova Scotia can rely on the word of this gigantic corporation and place their faith in it? We must remember that faith without works is dead. We have not seen much evidence of the work, so it is rather difficult for the people of the maritimes to have faith.

This gigantic corporation has the future destiny of Nova Scotians in the palm of its hand. It is gigantic. It appears that the more gigantic a corporation becomes, the more ruthless it can be. I am sure that all members in this house and all Canadians who contribute through taxation to the development of industry are awaiting the answers to these and many other questions.

Those words were spoken in this house ten years ago. They are as apropos today as they were at that time. We still have not been able to find out what this gigantic corporation is going to do with reference to its workers and the economy of the Atlantic region. I sincerely believe the corporation has a moral and social obligation in this regard. After making that speech in the house I received a letter from the then public relations officer of the corporation, now, by the way, a member of the Atlantic Development Board. At that time he said he was greatly shocked, and that the corporation was hurt and injured that I should say such things about them in the House of Commons.

But what can one do in these circumstances, Mr. Chairman? You have to make statements that set out the facts. What I have said is the truth. Over the past few months we have again found it necessary to resort to making the type of statements that we are making, which are in accordance with the facts. Some time later I received a letter from the office of the president of A. V. Roe Canada Limited, 170 University Avenue, Toronto, dated March 16, 1962. The letter is addressed to Mr. R. Muir, M.P., House of Commons, Ottawa, Ontario. Before reading it I should inform the committee that members of parliament and senators from the maritimes, of all parties, received an invitation to go to the Chateau Laurier to attend a dinner and have a general discussion on problems. Following that dinner and discussion I received this letter:

Dear Mr. Muir:

It was most kind of you to take a few hours out of your busy life to join me at dinner on Wednesday evening in Ottawa.

I thoroughly enjoyed the opportunity to exchange views on activities in the Atlantic provinces. We all have a common aim—the progress and development of that worthy part of Canada. You have my assurance I will be "pulling my weight" at all times.

We must arrange to meet again in the near future. In the meantime I want you to know how much I appreciated the occasion.

Sincerely yours,
T. J. Emmert

As I said, he is president of the corporation. I have not seen Mr. Emmert from that day to this. I have not seen him pulling his weight or the corporation indicating that they are even attempting to pull their weight, as far as the progress of the Atlantic provinces is concerned. I put these statements on the record, Mr. Chairman, for the benefit of the Minister of Energy, Mines and Resources who was not in the house on that occasion. I put them on the record for the benefit of the yet to be

named members of the Cape Breton Development Corporation, so they will know something of the past history of this matter and what has taken place since this corporation took hold of Dosco. During the dinner hour I picked up the Halifax *Chronicle-Herald* for today, Tuesday, June 27, 1967. This article is headed "Gloom in Provincial Circles" and says:

> The crisis regarding the future of the Sydney steel plant has caused gloom in provincial government circles. There is no easy answer apparent, and though top officials hope optimistically, their faces show pessimism.
>
> There has been no single measure which has brought on the current crisis. It started several years back with the announcement Dosco was about to construct a rod and bar mill, with rolled steel facilities, at Contrecoeur, Quebec.
>
> This was the handwriting on the wall for many operations at the Sydney plant. The Quebec plant, with a capital cost of $70 million, was to be built close to the major market area of the country, ostensibly so transportation costs of finished materials would be on a competitive footing with those from such areas as Hamilton.
>
> In a last ditch effort in 1963, the Nova Scotia government asked Dosco to reconsider its decision to establish in Quebec and expand its Sydney operations. To make the proposal attractive the Nova Scotia government held out a strong hint that if these wishes were acceded to, it would build the new rod and bar mill with its own money.
>
> Dosco refused flatly. The reason chairman T. J. Emmert gave last year was the company could not afford to have its hands tied by politics, as a new government might alter the whole situation.

The article continues, but I shall not read the rest of it. I suggest that Mr. Emmert refused because the Hawker-Siddeley group wants to get out of steel in Sydney. Therefore we welcome the study, announced this afternoon by the Minister of Industry, of the steel industry in Nova Scotia.

Mr. Chairman, there is nothing more I can say at the moment other than to express the wish that the minister and the government will be quite careful in all their dealings with Dosco, and more particularly the head of Dosco, the Hawker Siddeley group, because we have found we cannot rely on their statements. We have found they are quite prepared to accept assistance from governments without showing any indication that they are prepared to try and do what they can for their workers and for the economy of the maritime provinces.

Mr. Lewis: Mr. Chairman, I am very sorry that I was not here between six and seven o'clock to hear the announcement of the Minister of Industry on the question of the unemployment in the steel plant at Sydney. I left the chamber at about a minute or two minutes to six o'clock with the impression that we would go into private members hour. Apparently that was not the case. However I have received a very full report of what the minister said. If I in any way misrepresent what he said, I am sure there are members in the house, particularly the Minister of Energy, Mines and Resources, who will correct me, and I shall be glad to be corrected.

In order to make sure that I am speaking with relevance to what was said, it is my understanding that the Minister of Industry announced that the government had decided not to stockpile any steel, and he gave various reasons for the difficulties in the Sydney plant relating to the drop in the general requirements for steel, and similar reasons.

I heard the hon. member for Cape Breton North and Victoria say that the minister announced a study of the steel industry in Nova Scotia. The information I was given was that the minister said a study should be made and that if the Nova Scotia government was prepared to undertake one, the federal government would be glad to co-operate with it. I understand that is a more accurate summary of what was said. I take the liberty of saying to the government that it has miserably failed the people of Sydney, and particularly the steel workers of that city, that it has ignored a problem which daily has got worse, and that it is making it impossible for some years to come for the corporation, whose establishment we are now studying, to make real progress in dealing with the situation of employment in Cape Breton.

• (8:30 p.m.)

If I remember the date correctly it was on May 30 that there was a provincial election in Nova Scotia. On May 27 the Cape Breton *Post* reported the Minister of National Health and Welfare as having said this:

> "The new and improved facilities should significantly reduce handling costs and improve the competitive position of the Sydney steel industry," he said.
>
> "And with this government assistance, it is expected that additional company capital will be freed to completely modernize the Sydney steel plant itself and bring its operating costs closer to those of other Canadian steel companies."
>
> Mr. MacEachen said that in terms of employment he is "extremely optimistic" that these developments will be beneficial over the long term.

That was on May 27, and since then in the month of June alone there have been further lay-offs totalling almost 1,000 from the steel plant at Sydney. The situation, instead of

even improving slightly, has actually deteriorated. When I say there have been lay-offs of almost 1,000 you must remember, Mr. Chairman, that around the beginning of June there were only about 3,500 in the work force at the Sydney plant, including office workers; so that a lay-off of 1,000 since June, or 900 to be more accurate, is equivalent to a lay-off of 25 per cent to 30 per cent of the work force in a period of four weeks

Then the government solemnly considers the representations about stockpiling steel, and after weeks of questioning by members of the official opposition and members of our party, and weeks of promise of consideration, the Minister of Industry comes in and says, "We cannot stockpile steel. That is unrealistic. The general steel market does not permit it. Anyway, it is a particular problem of Cape Breton. We do not have very much responsibility. If the provincial government will undertake a study we will be glad to take part in it."

I have not been a member of this house long, Mr. Chairman, but I have been in political activities for a long time, and since the 1930's I do not recall such callous disregard of a problem that kicks the government in the teeth, and it refuses to do anything about it. If stockpiling steel is not reasonable or practicable, then come up with some other solution, make some other suggestion that will solve the problem. But instead of that there is a long string of excuses for the situation, ending up in the suggestion that a study be made.

The hon. member for Cape Breton North and Victoria said he welcomed this study, and of course I welcome it too. Studies are always useful if one learns more; but I say there is no need for any further study now. The area of Cape Breton has been studied to distraction. There have been studies upon studies upon studies in the last three decades, and if the government does not yet know what the problem is in Cape Breton, no new study will enlighten it.

The problem of the Sydney steel plant is not terribly difficult even for the layman to understand. The simple proposition is that Dosco and the Hawker Siddeley group have decided that from the point of view of the profitability of the corporation it is more profitable to build a steel complex in Contrecoeur, 40 miles from Montreal, than to modernize the plant at Sydney. It is just as simple as that. So they have gradually taken away parts of the operation in the Sydney plant to Contrecoeur, and threaten to take away even the basic steel production from Sydney to Contrecoeur within a few years.

Obviously if they are going to have all the secondary and processing plants at Contrecoeur, it will be a great deal cheaper and more economical for the corporation to have the production of basic steel located where the manufacturing and processing operations are carried on. This is what faces this government, the government of Nova Scotia and the people of Cape Breton.

Over the past decade there has been, not a gradual but a precipitous reduction in the operations of the steel plant at Sydney. Despite the promises made by the heads of Dosco and A. V. Roe, to which the hon. member for Cape Breton North and Victoria referred, the fact is that they have ignored the needs of Cape Breton. They are like all corporations. I am not blaming the corporation. They are not in Cape Breton for philanthropic purposes. They went there in order to build an industry that was going to pay them dividends and profits, and when the industry could not do so they moved elsewhere.

I am not blaming the corporation at all; but I am blaming the government in the strongest possible language for its lack of courage, lack of vision and of a simple sense of public responsibility in replying to this dire, serious situation by saying, "There will be no stockpiling. There will be another study so that we can have another volume to put on some shelf or under some desk."

There was the statement by the Minister of National Health and Welfare just one month ago today, on May 27, that because of certain things done the outlook for employment was going to improve. But now his government sits here, with a thousand more people off work than there were a month ago, and there is not a single suggestion of what should be done. This brings me back to what I have said on two or three occasions, and what other hon. gentlemen have supported.

The situation in Cape Breton steel means that the government should have taken over the steel plant as well as the coal mining operations on that island, because there is no other way in which the economic problem of that island can be solved, or can even be attacked intelligently. Why is the government ready to take over the coal operation? It is because over a long number of years Dosco has been reducing coal production, threatening to stop it completely and get out because of the uneconomic character of those operations. For years the federal government has

paid subventions—and I am not being critical of that at all—in order to maintain the industry at some level. But despite those subventions the industry kept going down and so, following the Dr. Donald report, the government has decided to take over the coal operations.

Exactly how long do the people of Cape Breton have to suffer before this self-righteous, absolutely callous government realizes that action has to be taken because precisely the same thing has happened with steel as has happened with coal? The operations are reducing week by week, month by month, year by year; men are being thrown out in the street, and women too from the offices of the company. There is no hope whatever that this company will do anything to modernize, rationalize and diversify its steel operation in Sydney. These are the only solutions—to modernize, to rationalize and to diversify, or to introduce the production of construction steel, as advocated by experts, particularly the standard sizes, designs and forms of construction steel for use in the Atlantic provinces and for export, particularly to the new nations of the world which have a great demand for that kind of product.

Mr. Muir (Cape Breton North and Victoria): Diversification.

• (8:40 p.m.)

Mr. Lewis: Yes, diversification is the major thing. But what is happening? Instead of diversification at Sydney there is diversification at Contrecoeur. I have no objection to there being a plant at Contrecoeur, because Canadians are working there, and God bless them. But I do have objection, as should every member of this house no matter on which side he sits, to a corporation which has lived off the people and the island of Cape Breton for all these years leaving the community on Cape Breton as drearily and as callously as this corporation did in the matter of coal, and is now proceeding to do in the matter of steel.

I do not usually make personal remarks, Mr. Chairman, but perhaps the Minister of National Revenue will also pay attention to what I have to say to the Minister of Energy, Mines and Resources. If this solution of nationalization, of taking over the steel plant at Sydney, is not to the liking of the government, then for heaven's sakes let them come up with another solution. But do not let hon. members opposite sit there in self-righteous satisfaction, telling us on this side that what we suggest—nationalization—is no solution; that what some people suggest—stockpiling of steel—is no solution. Hon. gentlemen opposite have no solution except to let the steel plant go downhill.

As I said before, Mr. Chairman, not only does this situation pose a problem for the unemployed steel workers at Sydney; it poses a serious problem for the corporation in relation to the purposes for which it was set up. The intention of the bill is that there shall be new industry developed to take care of unemployment, of displacement and dislocation, which will necessarily arise on the phasing out of coal production. If at the same time, Mr. Chairman, the other industry on which the island depends also slides downwards, and 800 to 900 people become unemployed in four weeks, as has been the case this month, and another 100 become unemployed in July, and the situation continues in this way, then the new corporation will not be able to meet the continuing unemployment in the steel plant, let alone deal wih a new area of unemployment which will be created upon the phasing out of the coal industry. That is surely simple common sense.

As anybody who has studied the Canadian or North American economy knows, it takes a tremendous amount of investment to provide 100 jobs in a modern automated plant. Modern industry today does not offer the number of jobs that industry offered even a quarter of a century ago when everything was manufactured by what are now out of date machines. Everyone knows a great deal more is produced in a modern automated plant with fewer people. Therefore the investment required to take care of the 1,200 to 1,500 unemployed steel workers who are now walking the streets of Sydney will probably amount to the greater part of the money that the government now has in mind for the Cape Breton Development Corporation, money which is intended to be spent on coal miners who may be displaced by the phasing out of the coal.

It is sheer stupidity and surely moronic to permit the second major industry on Cape Breton to keep going downhill, adding to unemployment on the island, at the same time making it impossible for the corporation that is to be set up to achieve in anything less than half a century the purposes set out for it in the bill.

If I sound angry, Mr. Chairman, it is because I am. I think there are certain matters that come before parliament on which one has the right to feel angry and bitter. As one

Canadian I feel angry and bitter about a government which lets this sort of thing happen in Cape Breton. The government refuses to nationalize the steel plant for one reason or another—I think for purely doctrinaire considerations, or sheer timidity. Or, to use a word the Leader of the Opposition is so fond of, the government refuses for reasons of sheer pusillanimity. It is either that, or they have no imagination at all. The government refuses to stockpile steel presumably because it is uneconomic to do so. It also refuses to find a solution, either alone or in conjunction with the government of Nova Scotia, to deal with the question.

I met the Minister of Energy, Mines and Resources some years ago, before he came to parliament, and I have had the greatest respect for him ever since. But I would ask him to try to convince anybody who looks at this situation objectively that there is sense in setting up a corporation to take over one of the basic industries on Cape Breton island in order to deal with the dislocations that will occur, while ignoring completely another basic industry in the same area in which unemployment is occurring at a very fast and discouraging rate.

As I said earlier, Mr. Chairman, this bill does a half job. It does an unimaginative job. It is something done out of sheer desperation. The government has finally realized owing to the amount of subventions they have paid out that something has to be done about the coal industry. However, the government do not pay subventions to the steel industry, as far as I know; therefore there is not the same pressure or feeling of desperation, and they ignore the problem as though it did not exist. But a problem which is ignored in economic and social terms constantly compounds itself and grows bigger, not in arithmetical terms but in geometrical terms, day by day and week by week.

I would have liked on a number of occasions to move an amendment to the bill to include a provision to take over the steel industry, but even I who am not a great expert on the rules, realize that that would be going outside the terms of the resolution which preceded the bill. Therefore there would be no sense in moving an amendment which would be so clearly out of order. I suppose it is impossible to persuade the government to reconsider the situation. If they do not want to accept the proposal to include the steel industry under this legislation, perhaps they would undertake to introduce other legislation to deal with the steel plant of Dosco.

There is another matter that I had almost forgotten, but I still have a minute or two at my disposal. It deals with a point that members from Nova Scotia know about better than I. The steel plant at Sydney does not affect the economy of Sydney alone, as I am sure the Minister of Energy, Mines and Resources and the Minister of National Health and Welfare know better than I. The steel works in Pictou county depend on the steel plant at Sydney. If the steel plant at Sydney reduces production, then the forging and rod operations that are now performed, I believe, at Trenton will also be discontinued. This will create a new unemployment problem in mainland Nova Scotia which would be attributable to the neglect of the steel plant on Cape Breton island itself.

You do not have to be a genius or an engineering expert to see how these situations are connected, Mr. Chairman. If we are going to deal with the problems of Cape Breton island, then for heaven's sake let us deal with them as a whole. Why do only a half job? As a matter of fact, some hon. members thought that the steel industry would be included within the terms of this bill. In this regard I could have looked up the reference in *Hansard*, but perhaps you will permit me, Mr. Chairman, to read from the Halifax *Chronicle-Herald* for January 13, 1967, a report by Mr. Eric Dennis which reads as follows:

> Prime Minister Pearson indicated to the Commons yesterday that the federal government is prepared to consider bringing the whole or part of the Dominion Steel and Coal Corporation Ltd., rather than merely its coal operations, under public ownership.
>
> • (8:50 p.m.)
>
> Answering a question from Donald MacInnis (PC—Cape Breton South) on whether the present plans for taking over the company's collieries could be extended to include its steel production assets as well, Mr. Pearson told the House: "This will be one of the aspects of the question that will be considered" when the entire matter is brought before the House soon for a special debate.

I now skip a paragraph:

> Later, when pressed by N.D.P. Leader Douglas and Robert Muir (PC—Cape Breton North and Victoria) for a more specific statement, the prime minister added:
>
> "Any program of industrial development will include the whole area and all industry, and any discussion of this matter would naturally include discussion of economic and industrial development generally.

Cape Breton Development Corporation

I had the distinct impression from the Prime Minister's answers of last January that the government was considering the problems of the steel industry in Sydney as well as the problems of the coal industry in Glace Bay and other communities of Cape Breton Island. The answer I suppose is that the government has considered this and that it has decided, with great solemnity, after consideration I am sure, to leave the steel industry alone.

On that I say fie, Mr. Chairman. This is absolutely shameful; it is shameful behaviour by the government; it is shameful neglect of an obvious problem, shameful disregard of the wishes of the people of Cape Breton Island. This is shameful treatment in a critical situation that requires much more consideration and sense than has been shown in the steel situation of Sydney.

Mr. MacEwan: I wish to endorse the remarks of the hon. member for Cape Breton North and Victoria, in his reply to the statement of the Minister of Industry regarding the steel industry and what the government would not do to assist. I agree that if a study is to be carried out, it must be carried out quickly.

The words of the hon. member for York South apply equally to the steel industry of the Trenton area. We have one of the biggest heavy forging plants in Canada; the Sydney works send ingots to us, and this legislation could have a great effect on the area I represent. Many in this house have shown the effect that this legislation will have on workers on the mainland. I join the hon. member for Cape Breton North and Victoria in urging the government, if there is to be a study, to conduct that study as quickly as possible. In that regard I was disappointed by the announcement by the Minister of Industry this afternoon.

Clause 22 of the second part of the bill reads in part:

> The objects of the corporation ... are to promote and assist ... the financing and development of industry on the Island of Cape Breton to provide employment outside the coal producing industry—

Since the resolution came before the house I pressed that the mine in my constituency be included in the legislation. I gather, from some statements the minister has made, that it is not intended to do this. On January 19 in this house as recorded on page 1674 of *Hansard*, the minister said:

> As the hon. member for Pictou mentioned, a private operator may wish to take over the mine and continue operating it for a certain time. Even if the corporation does not take over the McBean mine—and I shall come back to this later—clause 16(d), in particular, gives the corporation authority to help.

The following is the important part:

> I shall do my very best to help in this process and I assure the hon. member for Pictou that I do not intend simply to look at the matter and let it slide by. If the closing of the mine is decided on now, or in three months or five months—I do not know exactly when it will be—we shall bring in all possible federal and provincial support to soften the blow.

Then the minister went on to say that the $2 million that will be saved might go toward helping the McBean mine but that should the $2 million be spent, he would have a much weaker case to present to the cabinet.

After that there were some statements, and on June 20, in answering a question as reported on page 1712 of *Hansard* that I had put to him the minister said this:

> Mr. Speaker, I think if I were to quote what I said yesterday in the house on that subject, it would certainly lead one to the conclusion that we intend to take a very generous attitude and deal humanely with the McBean mine without including it in the legislation.

He goes on to say why the mine was not included.

Finally, answering the hon. member for Cape Breton North and Victoria, as reported on page 1871 of *Hansard*, dated June 23, the minister said this:

> Mr. Speaker, I can very rapidly repeat a few of the things I have already said, and add a few more. The nationalization of the Dosco coal mines on Cape Breton Island is justified by the economic and social situation on the island, a situation which is of national concern. Pictou county, where the McBean colliery is located, is not in a similar situation.

Then he said:

> The economic and social situation there is not one of national concern.

I wondered about that, when I heard the minister's words. Perhaps I might remind hon. members that the minister at one time had said that the government intended to take a generous attitude and to deal with the matter humanely. The minister has not clarified the meanings of his statements.

Today, following the Leader of the Opposition, I asked a supplementary question. I asked the minister whether he had received a telegram dated June 24, 1967, from the President of Local 510A C.B.R.T.G.W. of Thorburn. This local represents the shot firers and mine examiners at McBean. In the old days they were referred to as part of the official

staff of the colliery; they are no longer that. The telegram says:

> Membership of local 510A CBRT and GW representing shot firers and mine examiners at McBean pit alarmed and concerned at your statement June 23 denying McBean the right to be included in crown government corporation because of supposedly favourable economic climate in Pictou county—

And here comes the important part; this is what I have been trying to get across this evening:

> —we request a statement of government intention as to the future of 500 men most of whom are at a difficult age for retraining and rehabilitation what is to replace the 30,000 dollars weekly payroll coming from McBean these questions must be answered now trusting you will give the immediate attention and make a favourable recommendation.

I wanted to draw that to the minister's attention. At some time, even after this bill has completed all stages, which I hope will not now be long, the minister should make a statement to say whether he will meet the Nova Scotia officials and the mine workers. We should have a clear statement about what is intended.

In the press today it is reported that the president of the local, Mr. McLean, has said that there are rumours in the area that the McBean mine is to close. He did not say that there had been an official announcement. The district representative of the mine workers, Mr. Roll, is reported to have said that the government will not close the mine, but by their hands off policy they would cause the company to close the mine.

After the bill has been disposed of the minister should make a statement to clarify the entire situation. The payroll in the area comes to $30,000 a week—a lot of money. The taxes which are paid to various municipal levels of government amount to $40,000 per year. Some of that money is collected in Pictou county, and some is being paid directly to the town.

• (9:00 p.m.)

The minister has spoken of a generous attitude, of softening the blow, and so on. But this union which has sent the latest telegram, and other leaders in the area who would probably get in touch with the minister, want to know in which way the blow is to be softened. What is the generous attitude to be? Let us have some clarification of this matter. I think a meeting should be held attended by representatives of the federal and provincial governments, the mine workers and the company. Dosco should be represented at this meeting so that the company can announce what it intends to do. I certainly see the minister's point when he says the company has something to do with this situation, but this mine has been excluded; as I pointed out during the resolution stage, it is an orphan. Let us find out who the foster parents are to be and clarify the situation immediately for the benefit of the workers in this area and of the communities affected.

Mr. MacInnis (Cape Breton South): My remarks this evening are prompted by answers given in the house this afternoon by the Prime Minister and the Minister of Energy, Mines and Resources. Before continuing, I wish to associate myself with what has been said by the hon. member for York South, the hon. member for Cape Breton North and Victoria and the hon. member for Pictou.

In dealing with this legislation we are confronted by a dilemma. On one hand we realise that the $25 million allocated to assist the mines is very much needed, and that it is needed as quickly as we can get it. On the other hand we are faced with deviations from policy statements and promises made by the government. I recall that some time ago, I think it was last September, the Minister of Transport dealing with another matter found it necessary to turn to the Prime Minister and say in this house: "The Prime Minister, as usual, will have to backtrack." Backtracking has become a habit with this government. I have any number of references here with regard to promises made by the Prime Minister, the Minister of Industry and other members of the government associated with this particular piece of legislation.

I believe the Minister of Industry cannot consider this question in a fair and equitable manner. I say this because of his known association with certain persons in Dosco. I am not saying this because I feel he would be unfair to the miners and steelworkers concerned, but I do not think he can look at these things as fairly as other members who are not so closely associated.

Last September the Minister of Transport told the Prime Minister he would have to backtrack. We saw some backtracking again this afternoon. A question was put to the Prime Minister with respect to the promised policy statement on stockpiling steel and the representations made by the committee from Cape Breton in this connection. He said this would be more appropriately dealt with during the debate on this legislation. Yet throughout the debate on this legislation hon. gentlemen opposite have emphasized that the

bill deals with coal only and has nothing to do with steel. Why then did the Prime Minister suggest this afternoon that we should deal with this stockpiling question tonight?

What about the statement itself? What about the study? What is there in fact to study? All the figures with respect to the steel industry are at the government's disposal any time it wishes to call for them; the minister need only get in touch with the research department of the steel union and the figures will be provided—all the facts which would have to be dug up by any study group. I for one go along with the suggestion made by my hon. friend from Cape Breton North and Victoria, that if any study is to be made it should be a study of Dosco, and Dosco's policy since taking over this industry in 1957.

The government continues to backtrack on this question of steel. They say, now, it is not to be included. I could refer to many answers to questions which have been given in this house. The hon. member for York South has already referred to one. The Prime Minister was questioned on steel and his answer to me at that time was: "This will be one of the aspects of the question that will be considered." Those are the Prime Minister's words as recorded in *Hansard*. This would be one of the aspects to be considered. What is happening, now?

The minister tells us he does not want to get away from the principle of the bill. What about the principle of the policy statement which was made? And touching on the point raised by the hon. member for Pictou, what about the 400 or 500 men who will be thrown out of work at the McBean colliery? Principle? What principle? There has been none shown. We have been waiting for the fulfilment of promises made on the eve of the 1965 election. Part of it is here. It is a part I am interested in getting right now. But the government is placing every member of the house on the spot by saying: You will get what we promised in 1965, provided you adopt the callous approach of throwing 500 men out of work.

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton South): I hear some interjections from the other side. The support for this legislation seems to be coming only from this side of the house. All we get from the other side is broken promises and interjections. I think members on that side should get up and review the policy statements made by the Prime Minister, the Minister of Industry, the Minister of Energy, Mines and Resources, the Minister of Finance and the Minister of Transport. They are all involved. They are all tied to these promises.

Before the provincial election in Nova Scotia on May 30 the Minister of National Health and Welfare had some encouraging things to say about steel. Since then he has backtracked. The Minister of Industry has expressed concern about the employment situation in Cape Breton. I have a desk full of such references if they should be needed. Here is what the hon. gentleman said back in February:

> Mr. Drury: Mr. Speaker, I think the hon. gentleman will recognize that the government is concerned about this problem of continuing job opportunities in the Cape Breton area. He will recall the recent announcement of the intention of the government to establish through legislation a corporation, the specific task of which would be to endeavour to find new job opportunities in Cape Breton to replace those that seem to be in the course of disappearing.

• (9:10 p.m.)

May I point out, Mr. Chairman, that that was an answer given by the Minister of Industry to a question asked specifically about the steel problem. Yet, what do we have? I keep harping back to this word, backtracking, because it is one that a minister of the crown applied to the Prime Minister. We have this continual backtracking. There will be 1100 men laid off at the Sydney steel plant, yet the Minister of Labour had the audacity last week, when referring to the unemployment figures in this house, to say that there are 14 year olds registered. Then, with protection from the Chair, he was able to tell us something like that, when it is a lot of nonsense.

I asked for an interpretation at that time. If they do not register 14 year olds, if there is no statutory provision for it, how can the Minister of Labour stand up and say unemployment figures are growing because 14 year olds are being registered? If the unemployment figures are growing, it is because of the callous approach of this government to labour in Cape Breton and other parts of the country. This government's approach is callous in many ways when dealing with the labour situation.

Mr. Muir (Cape Breton North and Victoria): The member sitting behind the hon. member for Westmorland is interjecting.

Mr. MacInnis (Cape Breton South): Perhaps we had better let him cool off. We do not even know who he is, we see him so seldom. Perhaps there is a stranger in the house. If that is the only contribution he can make to a serious problem it is not worth mentioning.

Mr. Muir (Cape Breton North and Victoria): Perhaps we should identify him.

Mr. MacInnis (Cape Breton South): He is sitting in the last row behind the hon. member for Westmorland.

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton South): I could talk here for the next three hours referring to date after date upon which answers were given to particular problems with which we were faced in Cape Breton. I could refer also to answers and assurance given by this government in respect of unemployment, coal and steel. I repeat that part of the promises made in Halifax by the Minister of National Health and Welfare when he was minister of labour are being fulfilled. I am most anxious to see the money provided to mechanize the mines and set up new mines. I am convinced also that once this is done mining will be with us for a long time.

I am sure that the minister of mines, the Prime Minister and the Minister of National Health and Welfare are well aware of the representations coming from Nova Scotia these days. The Minister of National Health and Welfare is aware of the objections to the government's approach, by which in order to keep part of the promises he made prior to the 1965 election he is now asking the members of this house to vote for this measure which will put 400 or 500 men out of their jobs. The argument used in this respect is ridiculous. They say that economic conditions around Pictou are improving, and they have been greatly improved in recent years through the efforts of the government of Nova Scotia. This government has not been doing a great deal. In fact, they are not doing half the amount they are claiming in respect of development in that area.

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton South): I can play the waiting game with the Liberals, Mr. Chairman, if that is what they want. If there are any of them who wish to put their remarks on the record I would be glad to yield the floor. Otherwise, Mr. Chairman, I would respectfully ask that they keep quiet. If they wish to interfere with the representations being made from this side of the house, they would do themselves and the house a favour by going out behind the curtain and having a smoke, unless this is something else the Minister of National Health and Welfare has stopped. They are saying, vote the 400 or 500 men out of work and we will give you what we promised in 1965.

Mr. Gordon: Is he against liquor, too?

Mr. MacInnis (Cape Breton South): There is the writer of the Gordon report intervening.

Mr. Muir (Cape Breton North and Victoria): Is he still here?

Mr. MacInnis (Cape Breton South): He is still around. He does not have the decency to get up and make a statement in the house. He will run behind the Prime Minister's back and the party's back and make all the statements in the world. Now he comes into this house and starts interjecting. I recall when this same gentleman considered that if he gave wrong advice or did something wrong he should get out of the cabinet. He did get out once, so why does he not do us all a favour and get out again. This man was the author of a lot of the problems of the maritimes, yet he dares to interject in this house at this time, and especially in the light of the way the people in the maritimes think of him, after the report he wrote. I feel the minister ought to be ashamed to take his seat in the house, after the uproar he caused in his own cabinet. He should not come in here and interject when hon. members are considering a matter which is so vital to their area. It is vital to Cape Breton, and if it is good for Cape Breton it is good for the rest of the country. The minister who wrote the Gordon report is the last person in the world who should open his mouth in this house at the moment. At least, we stand up and say what we have to say. We will say it in front of the members in the house and say it for the written record. We do not go out behind the back of the Prime Minister and say things, as the minister has done. I suggest that he keep quiet until this particular piece of legislation is passed.

Mr. Fairweather: Next question.

Mr. MacInnis (Cape Breton South): It is nice to see that the Grits can laugh at broken promises. I said once before that only the Liberals can make a success of breaking promises. They have been breaking promises since the day they took office. Week in and week out there has been backtracking and the breaking of promises. It has become a habit with this government, a habit they cannot break.

Cape Breton Development Corporation

I am going to be very interested in hearing what the Minister of National Health and Welfare has to say because he must have been receiving the same telegrams we have been receiving in respect of the steel and coal problem, and in respect of the promises he made in 1965 and on the eve of the provincial election in Nova Scotia just a month ago. What does the minister know that the members of this house do not know? How can he make statements in respect of what Dosco is going to do once they get this capital, and once they receive certain aid from the government? Will the minister let us know now what Dosco's policy is, or has the government taken enough interest in this matter to find out the intentions of Dosco?

How many remarks have been made about the transfer of part of that industry from Sydney to Contreoeur? I do not know if any mention has been made of the fact that key personnel have been pulled out of Sydney. They are being pulled out of Sydney because the Dosco people cannot compete with Algoma for professional help. What are they doing? They are raiding the Sydney plant and taking out these key personnel because they do not have the know-how at Contrecoeur. Not only are they removing parts of the industry, piecemeal, but they are also removing the key personnel in the hope that their establishment in Montreal will get off the ground.

This is probably why we are getting interjections from that side of the house. Members over there have always been dependent upon representation from Quebec. Why should they not be glad to see something else developed in Quebec? As Canadians and members of parliament, they should not have something develop in their province at the expense of another province. This is another reason I believe the Minister of Industry should disqualify himself from even sitting in judgment on anything in which Dosco is involved.

• (9:20 p.m.)

In addition, the minister comes from the province of Quebec so, in all justice, he should disqualify himself. He will be facing the same dilemma that faces other hon. members, that in order to vote $28 million for the mechanization of the coal mines we have to vote 500 men out of their jobs. What about the policy which this government announced about two years ago in respect of subvention payments. At that time the minister was very proud that he could get up and announce a five year set price on the subventions. We can understand where it is all going down the drain in respect of the Dominion Coal Company colliery, but when the McBean colliery is being forced out of existence, the government at least should maintain the subvention rate for that colliery for the period they announced. But no; they are even breaking that undertaking. This is what goes on from day to day, and yet the minister wonders why his legislation is not approved as quickly as it might be. I myself would like to see it go through in respect of the $25 million which is to be made available for the mechanization of the collieries, and in respect of the other things which were promised in the 1965 policy statement.

The then minister of labour, now Minister of National Health and Welfare, can go throughout Nova Scotia making political statements and policy statements, but we are denied the opportunity to ask him any questions with reference to them. At the same time we are denied the opportunity to follow up on the statements he has made, a Liberal member in this house is permitted to ask questions about a fugitive from justice who was picked up in New York on his way to Europe, another Liberal backbencher can ask about road conditions around Ottawa, and another Liberal backbencher can ask about a visiting American dope pedlar in the Don jail. We should be allowed to follow up the statements made by the minister at the time they are made, so that we will be in a position to enlighten the people on whose behalf the minister is supposed to be making these statements and the people to whom he is addressing them. Nevertheless we are denied the opportunity to follow up on the statements of the Minister of National Health and Welfare.

Not too long ago there was another example in respect of the U.S.-Canada auto pact. The Secretary of State for External Affairs was given a freewheeling opportunity to discuss the auto pact. His explanation to me at that time was that, after all, he represents an auto town. He said that he comes from an area which is very much involved with the auto industry. The Minister of National Health and Welfare is supposed to be vitally interested in the coal areas.

Mr. Chairman, you would do the house a service if you would identify the member. None of us seem to know him. I would call him to order if I knew who he is. I realize it is getting awfully close to pay day. I believe I also heard from the British Columbia member over there, the fellow who lied to the house during the time of the defence committee hearings. He is starting to interject now. This member deliberately lied to the house—the

member for Vancouver Quadra. I cannot understand how he can have the nerve to interject in a situation like this, after having been caught in the act of lying to this house. Then there is the Minister of Finance. He, too, should be ashamed to show his face and interject here, when someone is dealing with a matter as vital as this legislation.

Mr. Chairman, before I get swinging away too hard at some of the interjections made on the other side of the house, probably I should defer some of my remarks, because it is my hope that this legislation will get speedy passage. However, it is difficult to defer my remarks after some of the answers we received this afternoon from the minister concerned, and from the Prime Minister who, for some devious reason, said that we could deal with the steel question tonight. I say to you, examine the legislation and tell me where it deals with steel. This afternoon the Prime Minister invited us to get up this evening and tie in with this legislation what was supposed to be an announcement in respect of steel. Why did he run away from this question this afternoon; why did he backtrack? Mr. Chairman, the best way to sum up the actions of this government in their deviations from statements made in the house is to quote the statement the Minister of Transport made last September in respect of the Prime Minister. He said that the Prime Minister as usual will have to backtrack. With a backtracking Prime Minister we have a backtracking cabinet which does nothing about the lay-offs in Sydney and the impending problem in the coal mines. All they do is break policy statements and promises made prior to an election.

The Chairman: Shall clause 22 carry?

Clause agreed to.

On clause 23—*Powers.*

Mr. Lewis: Mr. Chairman, I have read and reread clause 23, particularly subclause (1)(a). It seems to me that it lacks one important power that the corporation ought to have. As I read it, in subclause (1)(a) the corporation is given the power to lend money with or without interest. It is given the power to make grants to any company or person carrying on or proposing to carry on a business or enterprise. I am not reading this word for word. Then it is given the power to invest in the shares or securities of any such company or person and to hold or sell or otherwise dispose of such shares or securities.

Unless I am mistaken—and if I am I shall be grateful to the minister if he will correct me—what this clause does is give the corporation power to invest in the shares or securities of some other corporation or person. I appreciate—as I believe I said during an earlier discussion of this bill—that they could invest in 100 per cent of the shares or securities of such a company. However, what this clause does not give this corporation the power to do is to initiate and establish a business or enterprise from the bottom up, even if there is no other company in the field or no other person or company interested in starting a business or enterprise in Cape Breton Island.

• (9:30 p.m.)

I do not know whether that omission was deliberate or, if I am right in my interpretation, merely an oversight; but in my estimation it is a very serious omission. Before I indicate why I think it is so serious, let me say to anyone who might suggest that paragraph (f) does the job—and I refer to the part which says that the corporation has the right to do all other things as it deems incidental or conducive to the attainment of its objective—that I respectfully disagree that this gives the specific power the corporation would need. I am quite certain in my mind that (f) would not have enough scope to give the corporation the specific power it would need to start a business on its own with the funds of the corporation. Aside and apart from the legal considerations there seems to be the common sense fact that this parliament ought to give the corporation the kind of guidance which would make clear to the corporation what we wanted it to do.

It is clear that this omission is important enough to take a very few minutes of the committee's time to deal with it, and to move an amendment. There are obviously three ways that the corporation could function in Cape Breton Island in so far as ownership of a business is concerned. It could, as it no doubt will, use the various powers in clause 23 to seek to attract private enterprise by providing grants of money, lands and business incentives. That is one way. It could also seek to operate as a partner in a private enterprise. That is, it could enter into a partnership arrangement between the public corporation which this bill sets up and private companies or persons interested in coming to establish or carry on the right kind of business or enterprise. The corporation ought to have the authority, as well, to initiate a publicly owned business, not for the purpose of operating it itself, but for the purpose of

establishing an industry which in its opinion and the opinion of its advisors, or advisors of other agencies, is necessary but cannot be established by attracting private enterprise. This public corporation ought to have the authority to do this itself.

I think if I took any longer in explaining my point I would merely be repeating myself. I ought not do that when we are anxious to get on with the legislation. I therefore move:

That paragraph (a) of subclause (1) of clause 23 be amended by deleting the semicolon at the end thereof and substituting a comma therefor, and by adding the following thereto:

"or itself establish a business or enterprise owned wholly or partly by the corporation."

It could do so in partnership or otherwise. I have not an extra copy of this. May I conclude by saying that if I have read the proposed clause wrongly I will be glad to be corrected, and if the minister and his advisors think what I have in mind can be done in a better way I will be glad to have my amendment put aside and give preference to any improved language which the minister may suggest.

What I am interested in is that this legislation should make it clear that parliament is giving the corporation the power to initiate and establish a business or enterprise which might be found useful and necessary for the development of Cape Breton.

Mr. MacEachen: Mr. Chairman, we have not received copies of the proposed amendment, but on the basis of what I have heard I should like to argue its irregularity.

The Chairman: The Chair would be happy now to listen to arguments for or against the validity of the amendment.

Mr. MacEachen: Mr. Chairman, in essence my argument is that the amendment proposed by the hon. member would confer powers upon the corporation which are far beyond the powers conferred by the terms of the resolution which was introduced prior to the introduction of the bill. That resolution was strict in the sense that it gave the corporation authority to own and operate the coal mines. That was specific and explicit in the resolution. As I recall the resolution it also gave the corporation the authority to develop and promote other industry.

What the hon. member seeks to do is empower the corporation to own and operate industries other than coal mining undertakings in Cape Breton. I suggest that this amendment is irregular and out of order. The committee would require a royal recommendation and a new resolution before it could entertain the objective of this amendment, which is beyond the scope and terms of the original resolution.

Mr. Lewis: Mr. Chairman, with great respect I cannot follow the minister's argument. I am looking at the text of the resolution which appears at page 1550 of *Hansard*, so there is no need to rely on one's memory. In the opening part it deals with the acquisition and reorganization of coal mining works and undertakings, and to conduct coal mining operations in the Sydney coal field. Then it goes on to state:

—and to promote and assist the development of industry on Cape Breton Island to provide employment outside the coal producing industry and to broaden the base of the islands' economy;—

If those words are not wide enough to enable the legislation to specify that the corporation may promote and assist the development of industry on the island by setting up a business or enterprise itself, then I respectfully submit that the clause of the legislation now before us is equally beyond the terms of the resolution. That is why I press this point and invite you to see whether what I am saying is logical. This clause in paragraph (a) gives the corporation the power to own industry. It gives the corporation the power to invest in the shares or securities of a company or person. This obviously means it has the power to own industry in part or wholly. It does not say it can invest in only a part of the shares of a company or person. Obviously it can invest to the extent of 100 per cent of the shares. It is therefore given the authority to take over in total a company which already exists.

• (9:40 p.m.)

If the resolution is sufficiently wide to support the powers which the government proposes in the bill before us, the power to own a company which was formerly owned by someone else, why is not the resolution wide enough to enable the corporation to own a company that was not formerly owned by somebody else? I should like someone to tell me what the logic is in that proposal.

Mr. MacEachen: It is in the resolution.

Mr. Lewis: The resolution does not give that power. Outside the acquisition of coal mines, the resolution makes no mention of the corporation having the right to have ownership in a company other than the general

reference to "promote and assist the development of industry" and "to broaden the base of the island's economy." The only specific reference to acquisition is with reference to coal mines.

I repeat that if the resolution is held to be wide enough to enable the corporation to own a company which was formerly owned by someone else, surely it is wide enough to enable the corporation to own a company that was not formerly owned by somebody else. The same language that supports the present clause supports the amendment which I moved. I simply cannot follow at all the logic of the minister's argument.

Mr. MacEachen: Mr. Chairman, the terms of the resolution, for which a royal recommendation is necessary, are clear. The first part of the resolution empowers the corporation to acquire, own and operate coal mines, and nothing else. In no other part of the resolution is there a clause of a permissive character to own outright and operate outright other industries. That power is confined exclusively to the coal industry. The role of the corporation is to assist and promote. The effect of the amendment moved by the hon. member is to empower the corporation to own outright and operate outright, from the ground up, any industry.

Surely that is beyond the scope of the resolution that was adopted by the house. If the house adopted the kind of resolution suggested by the hon. member, it is a surprise to us. The hon. gentleman refers to the clause in the bill which empowers the corporation to invest. That is of course there, and it presupposes the operation and existence of a corporation that is not the direct and the sole instrument of the crown corporation. It is a developing and promoting aspect of a corporation that is not wholly, and is not intended to be wholly owned or wholly operated by the crown corporation.

Mr. Lewis: Mr. Chairman, may I ask the minister a question? Will he inform the committee, and of course you, Mr. Chairman, where in this clause there is anything in the language that would prevent the corporation from buying up 100 per cent of the shares or securities of any company or person. Where is there here anything to justify the minister's statement that there is nothing in the language that would enable the corporation itself to own the whole of a company?

Mr. MacEachen: Mr. Chairman, if what the hon. gentleman says is correct, his amendment can only bear one interpretation, that it is his intention to empower the corporation to establish industries from the ground up.

Mr. Lewis: Yes.

Mr. MacEachen: That is not the intention of the bill or of the clause, which implies the investment in a pre-existing corporation or organization. I am at a great disadvantage, as the committee must be, in dealing with an amendment which I have not seen and have only heard read. I find it very difficult to carry on the argument or indeed to understand how the committee can vote when we have not copies of this important amendment. From what has been said I think it is obvious that if the hon. member's amendment is declared to be in order, it clearly indicates that the power of the corporation is not only to acquire and operate coal mines but to build, from the ground up, a whole variety of industries.

Some hon. Members: Hear, hear.

Mr. MacEachen: That certainly is not the intention of the bill. It may be a desirable objective from the point of view of some hon. members opposite, but the house in adopting this resolution did not intend to turn Cape Breton into a socialist island.

Some hon. Members: Hear, hear.

Mr. Douglas: It is a very good example of a capitalist island right now.

An hon. Member: It is not like Saskatchewan was when you were there.

Mr. Knowles: Mr. Chairman, the last part of the argument put forward by the Minister of National Health and Welfare is very interesting. In fact perhaps it is an admission on his part that the bill does not go far enough. But you, sir, have to be concerned with the proposed amendment in relation to the point the Minister of National Health and Welfare has raised, namely whether it comes within the scope of the resolution that was passed before the bill was introduced?

The Minister of National Health and Welfare says that the resolution is quite clear. I am not so sure that it is as clear as he thinks it is. If one reads it through carefully, one sees that it goes back and forth. The fact is that it refers first to the coal operation, then to the development of other industry, back again to coal, back again to other industry,

back again to coal and back again to other industry. So I submit that the prior resolution does authorize a bill that in the main enters into two fields; on the one hand, taking over the coal industry and on the other promoting and assisting in the development of industry on the island of Cape Breton.

The hon. member for York South drew your attention, sir, to the words "and to promote and assist the development of industry on Cape Breton Island" early in the resolution. I draw your attention to a reference to "initial financial and operating capital requirements" in the middle of the resolution, and then I draw your attention, sir, to the last few words of the resolution which refer to the provision of the sum of $20 million "for the purpose of promoting and assisting the development of industry on the island".

It may well be that the amount of money is not enough for a project such as my colleague might have in mind, but the principle is there in the resolution, namely that the bill to be introduced may deal with two things; it may deal with the taking over of the existing coal industry, and it may deal with the promotion of and assistance to other industry as referred to at least three times in the resolution. I submit therefore that it is quite in order for an amendment to be moved which clarifies or spells out a right that is contained in the resolution itself. I submit that the bill has not gone as far as the resolution permitted, and that my colleague's amendment is one that simply seeks to do what was suggested as a possibility in the resolution, and therefore is in order.

• (9:50 p.m.)

To recapitulate, the resolution says that there can be the promotion of other industry. It says money is being made available for the promotion, assistance and development of other industry, and my colleague's amendment is in line with that.

Mr. MacEachen: Can the hon. member find in the resolution authority for the conducting of any operation other than the operation of a coal mine? There is authority to promote and develop as an investor or shareholder, but the only authority as a proprietor and an operator is confined exclusively to coal mining operations.

Mr. Knowles: If the minister is going to be that narrow in his interpretation of words, then the government's own proposal contained in this clause is wrong because it goes beyond the resolution. However, I suggest that the word promote does not merely mean to encourage somebody else to do something, but that a promotor can promote his own operation. We are suggesting that the authority of the corporation to promote and develop other industry implies that the corporation can promote that industry itself. My hon. friends seem terribly worried about the socialist implications of this. As a matter of fact the legislation would be a lot better if we were facing the problem as one of the whole area and had a T.V.A. type project for the whole island.

[Mr. Knowles.]

Mr. Pepin: Mr. Chairman, my colleague is right about promoting and assisting. With the exception of what it will do in the coal mining field, the corporation will simply "promote and assist." This is the spirit of the legislation. It will not be doing other things all by itself like building industrial plants from first floor to last floor roof. Why? The answer is from common sense. The people appointed to the corporation will be essentially people with a coal and a general industrial background. They will specialize in operating the mines and in attracting other industries to Cape Breton Island to help in the broadening of the local economic base. If the other industry, for example, were to be a silk stocking factory, obviously there will not be the expertise in the new corporation to undertake such a venture. If the other industry were a peanut butter factory, the corporation would not have the necessary expertise in the peanut butter making industry.

The purpose of the corporation is simply to promote, to take shares, to lend the capital necessary to attract other industry. It is like the Canadian Development Corporation will be when it is created. That corporation will not be expected to take over all Canadian industries. It will simply be promoting and assisting in the development of Canadian industry. The Cape Breton Development Corporation is the Canada Development Corporation for Cape Breton Island, and it will operate in the same way.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I would not want to be rude, but is it possible the minister is not familiar with the connotation of the English word promoter in connection with business promotion? Is he unfamiliar with that?

Mr. Pepin: I presume there are some subtleties in this case, as in the case of subsidies and subventions, but so far as I am concerned promoting means an endeavour to attract

people to establish industry. In common English the expression "a promotional job" is often used. It does not refer to the building of an industry from bottom to top.

Mr. Cameron (Nanaimo-Cowichan-The Islands): In English the word promoter in connection with business enterprise means someone who develops an industry and runs it, as well as promotes other things. If the minister does not know that, he had better study his English.

Mr. MacInnis (Cape Breton South): Several remarks have been made to which I take exception. One was the reference by the Minister of Energy, Mines and Resources to silk stockings as something that could not be associated with the corporation. Is the minister not aware that stockings have been manufactured from coal? If he does a little research he will find that this is done in Germany. So his reference there was not a very bright one.

I would also ask the Minister of National Health and Welfare, who saw fit to enter the debate to discourage what we are trying to do to improve the legislation, what he meant by referring to the word explicit with reference to coal, in the terms of the resolution? Does this include the McBean mine, from which the government has backed away? According to the minister's interpretation of promoting and assisting, there is absolutely no need to have the word promoting in the resolution. To promote means to originate, or to assist somebody else who originated something, and to develop it. The idea of promoting an industry can mean the taking over of it or the complete undertaking of it. The minister's interpretation of the word promote is not in line with my acceptance of the meaning of that word.

Mr. Pepin: On a point of privilege, Mr. Chairman, may I quote from the Oxford dictionary? I know it is not recognized all over Canada. I pride myself on knowing a little bit of English, although I confess it is not as good as the French of the hon. member for York South. According to the Oxford dictionary "promote" means to "help forward, encourage...support actively of passing of ...take necessary steps for passing of ...publicize and sell" and so on. This is exactly the meaning given to it in the present bill.

Some hon. Members: Hear, hear.

Mr. Knowles: I have the same dictionary, and the minister left out some of the things that were in parenthesis. One of those phrases that he left out was "support actively the passing of (law), take necessary steps for passing of (local or private act of parliament)". In other words, there is nothing in the definition of the word promote as given there which relates to the promotion of business. But if the minister will look at the next word, promoter, he will see "one who promotes formation of joint stock company".

Some hon. Members: Oh, oh.

Mr. Knowles: I suggest that if all that was meant by the resolution was to assist, then assist was the only word that was necessary; but the resolution says there shall be authority to promote and assist. I submit that assisting is helping someone else to do it, but promoting can mean encouraging someone else to do it and it can also mean the promoting by the entity itself of other industry.

Some hon. Members: Hear, hear.

Mr. Muir (Cape Breton North and Victoria): It was not my intention to get into this part of the debate, which has attracted some very learned gentlemen, including the Minister of National Health and Welfare, and the hon. member for York South who originated it. However, I find it rather unusual and disturbing, as the hon. member for Cape Breton South says, that here we are trying to improve this legislation to the point where it will be of great assistance, and the minister from Cape Breton Island is the first to jump to his feet and object and reject, and find all kinds of excuses why we should not—

Mr. MacEachen: I rise on a point of order. I do not object to the hon. member arguing the point of order which is before the committee now, namely whether the amendment meets the requirements of the royal recommendation and is within the confines of the resolution. I am arguing that it is not, and that is all. If the hon. member wants to argue the other side of that proposition he is quite free to do so, but I object very strongly to this kind of unpleasant and unnecessary insinuation. What is necessary at this moment is to get this bill passed. That is the quickest way to help the miners and the steelworkers on the island of Cape Breton. Let us pass the bill.

Some hon. Members: Hear, hear.

Mr. Muir (Cape Breton North and Victoria): On the point of order, Mr. Chairman, the hon.

gentleman can raise his voice as loudly as he likes and show his displeasure as much as he likes. But, much as he shouts, the displeasure will not be as great as that which will be shown on Cape Breton Island at the rejection of the minister of an improvement of the legislation.

• (10:00 p.m.)

The Chairman: Order.

Mr. Muir (Cape Breton North and Victoria): I am shocked that he of all people would do such a thing.

The Chairman: Order, please. I must remind the hon. member that the question before the committee now is not the bill itself but the validity of an amendment. If the committee is going to continue and the hon. member wishes to speak, I will only be able to accept remarks relating to the point of order.

Mr. MacInnis (Cape Breton South): I would ask the Minister of National Health and Welfare to qualify something he said. He stated that when the amendment was introduced he did not have a written copy before him and therefore could not argue it properly. If he recalls what he said, one interpretation that can be placed on his remarks is that the crown corporation would not be able, as the minister put it, in any way, shape or form to build from the ground up a new mine at Lingan.

Mr. MacEachen: The resolution empowers the corporation to operate and open a new mine in Cape Breton if it so desires. I take the stand of the premier of Nova Scotia, that nationalization of the steel industry is not an appropriate function of the government of Canada.

Mr. MacInnis (Cape Breton South): The minister has brought up the question of nationalization, but I think the members of this committee are labouring under an illusion. This is not nationalization as nationalization is generally understood. This bill is to set up a corporation to take over the coal industry, with the express purpose of doing away with it. The minister makes it sound very enticing when he says that the quickest way to help the miners and steelworkers of Cape Breton is to rush this legislation through. We want to see it go through, but we want it to go through in an improved form.

May I hark back to what the Prime Minister said this afternoon—

The Chairman: Order.

[Mr. Muir (Cape Breton North and Victoria).]

Mr. MacInnis (Cape Breton South): What has this legislation got to do with steel?

The Chairman: Order. I am sure the hon. member for Cape Breton South will agree with me that the problem we now have to decide is not the effect of the legislation, but whether or not the amendment moved by the hon. member for York South is in order. That is the only argument that the Chair will permit at this particular time.

Mr. MacInnis (Cape Breton South): I would just ask the Minister of National Health and Welfare to indicate to me and to other members of the committee where there is any help for the steelworkers in this legislation. We are trying to inject some help for them into the bill, and this is what the minister is refusing, at the same time telling us to pass the legislation because it will help the steelworkers. Will the minister indicate where this legislation helps the steelworkers?

Mr. Lewis: The Minister of National Health and Welfare has tried to argue the point of order by throwing in words which he thinks are pejorative, such as socialism, or nationalization, asking everybody else to deal merely with the point of order and taking unto himself the liberty to make statements about merits and philosophy. This is not unusual, Mr. Chairman, and it does not surprise me, but I do want to repeat in all earnestness what I said before.

If it is within the resolution for the legislation to give this corporation the power to invest in the shares or securities of any existing company without limit, so that it may buy up, as far as the language of the clause before the committee is concerned, 100 per cent of the shares or securities of a company or person carrying on a business or enterprise which the corporation thinks is necessary and desirable—if legislation saying that is within the confines of the resolution, then I submit that the minister is, in logic, absolutely wrong in suggesting that the corporation cannot invest in an enterprise which it itself establishes, promotes, or whatever word one may wish to use in that connection.

The argument of the Minister of Energy, Mines and Resources that the corporation, as it will be set up initially, will not have the personnel to run this or that business—whether it is engaged in making socks from steel or peanut butter from coal—is irrelevant to the point of order and to the general situation before us.

The minister, I am sure, knows at least as much about business as I know; he knows that there are many holding corporations that do not, themselves, have the expertise to carry on a particular business, but which own that business that is being carried on by experts whom the corporation hires for that purpose.

If my amendment is out of order, then the provision in the clause before us for the corporation to have authority to invest in the shares or securities of a company is equally out of order. If one is in order, then logically the other is in order.

The Chairman: Does the committee wish me to make a ruling now?

Some hon. Members: Agreed.

The Chairman: The Chair paid great attention to this resolution when it was before the committee on June 15, as it was necessary, I think, for the Chair to do, to be able to relate the bill which would follow to the resolution being discussed at that time.

The amendment of the hon. member for York South does not deal with the first part of the resolution but deals particularly with the matter of setting up businesses outside the coal industry. The Chair, here, is being asked to decide the meaning of words. We have had considerable argument about the meaning of "promoting". The last part of the resolution uses the phrase, "for the purpose of promoting and assisting the development of industry".

I recognize the validity of the argument which has been advanced by the Minister of National Health and Welfare but I recognize, too, that deciding a question like this is drawing a fine line between the meaning of words. That is difficult for the Chair to do.

I shall accept the amendment and ask the committee to decide. Is the committee ready for the question?

Amendment (Mr. Lewis) negatived: yeas, 27; nays, 61.

• (10:10 p.m.)

Mr. Muir (Cape Breton North and Victoria): I presume we are now continuing our discussion on clause 23. Now that the Minister of National Health and Welfare has won the day by destroying an amendment which we thought might be of benefit in establishing new industries, let me put a question to the minister of mines. A few moments ago, his colleague the Minister of National Health and Welfare said there was great urgency attached to the passage of this bill. Well, we tried to get the house to sit after ten o'clock one night some time ago but the house did not see fit to do so. But the minister did say he wanted to get this legislation through in order to assist coal and steel. Would the minister of mines advise the house what clause 23 will do to assist the steel industry. Let him spell it out to us in a few words.

Mr. Pepin: I have said on a number of occasions that it is only indirectly that the corporation would be helping the steel industry. By promoting industrial development in the area it would be doing so.

Mr. Muir (Cape Breton North and Victoria): I thank the minister for that reply. May I ask him whether it is provided that the Industrial Development Corporation may lend money either with or without security at such rates of interest as the corporation considers proper, or without interest. If so, would this include the lending of money, with or without interest, to the Dosco corporation to assist steel?

Mr. Pepin: The language is certainly broad enough to allow that. It would become a matter of policy for the corporation to decide whether this is the kind of venture they feel they should indulge in.

Mr. Fairweather: Would the lending of money under this clause fulfil the statement made by the Minister of National Health and Welfare on May 27 in connection with the modernization of the Sydney enterprise?

Mr. MacEachen: Reference has been made already to that statement. It was an announcement with respect to a joint project supported by the provincial government on one side, and the Atlantic Development Board on the other, having to do with the provision of capital for bulk handling facilities in connection with the steel operations in Sydney. It is not related in any way to the main operation. The work and the research in connection with this particular grant were under way long before this bill came into the house.

Mr. Fairweather: What would be the point of the Atlantic Development Board and the provincial government lending money for the modernization of steel handling facilities if the future of Dosco in Cape Breton were uncertain?

Mr. MacEachen: The answer to that question is, of course, that if Dosco as a steel operator is to become more efficient, to

become more competitive, or even to maintain its position at all, these bulk handling facilities are required. These arrangements were worked out with Dosco long before the current lay-offs took place. It is true that this announcement was made in May. I understand that the hon. member for York South has referred to a press statement. There was a press announcement and I made a statement, both of which related to the impact that this would have on helping to stabilize the steel industry. Neither at that point in time nor at this point in time, do I look to the total elimination of the industry, which seems to be the implication of the question. Just a day or so before the provincial election, the premier of Nova Scotia stated that there would be no lay-offs in the foreseeable future in the steel industry. He has since explained that at the time he made this statement in good faith. I do not dispute that. But I do object to having aspersions cast on the announcement which I made, quite unrelated to lay-offs, but simply for the effect of making a contribution to the steel industry through the Atlantic Development Board.

Mr. Fairweather: I cast no aspersions.

Mr. MacEachen: I was not referring to my hon. friend.

Mr. Fairweather: I do not really care anyway, because that does not matter. Then we are back to where we started, that under section 23(1)(a), the infusion of capital that Dosco receives will undoubtedly improve the efficiency of its operations. If it would, then this corporation would be prepared to make it, is that correct?

Mr. MacEachen: At the resolution stage of this bill, I referred to the potential relationship between the steel industry and the operations of this future corporation. If parliament passes this bill, it will vest within the corporation very wide powers to promote and assist industrial development on the island of Cape Breton. I am not, nor is any member of the government, dictating to the corporation. However, there is nothing within the terms of this bill to prevent the corporation, if it so desires, from assisting any industry on the island of Cape Breton, including the steel industry. This was clear and has been clear from the very beginning. All that has been asked in the debate so far that is not contained in this bill, is a request that the corporation own outright the steel mill in Sydney. This is what we are objecting to because we do not believe it is a proper function for this corporation.

Mr. Lewis: Mr. Chairman, I rise to say a few words on this clause and also to ask the minister a question with regard to the last part of subclause 2. When I moved the amendment which the committee defeated a few minutes ago, I thought I was merely pointing out an omission which I hoped was not deliberate. Obviously it was, and I am grateful, as a member of this house, although I am very unhappy at the same time, to have that clarification as to what the government intends to do with this legislation. I have this clarification from the mouths of the two ministers who spoke. All we have in this legislation, so far as the industrial development division is concerned, is not an industrial development organization at all but another agency to get other people to do the job that needs to be done.

I can see no difference, except for the difference in the structure and financial arrangement, between this corporation and the Atlantic Development Board. So we have two agencies with exactly the same power and exactly the same purposes. We have the Atlantic Development Board which is to promote—to use the word in the sense in which the ministers opposite used it—industrial development in the Atlantic region, including of course Cape Breton Island. Then we have the Cape Breton Development Corporation to do exactly the same thing within Cape Breton. Then there is the provincial Industrial Estates organization under the provincial government which is doing exactly the same thing for the province of Nova Scotia including, of course, the island of Cape Breton. How absurd can we become?

• (10:20 p.m.)

There was value in this corporation and in this set-up on the assumption that the corporation would have additional powers and would itself be capable of taking steps to develop industry in Cape Breton Island, and not merely invite private corporations to do it when the corporation itself decides not to do it.

This was not merely an adjunct to the Atlantic Development Board, but when the corporation is limited merely to provide for somebody else to do the job, when the corporation itself cannot undertake anything, then no progress is made at all over and above the agencies you already have both in the federal and provincial field. If this is what this government intended—to get half a job done in

desperation—then the desperation in a situation like this is emphasized and re-emphasized ten thousand times. If I am proven to be wrong, then I and my colleagues will be the first to delight if this corporation does succeed in making of Cape Breton Island the kind of lively and hopeful community that the people there have a right to expect.

I must say, however, with the interpretation the government has given to the powers of this corporation and the limitations it has placed around it, as well as the fact that the question of steel is not included, that I would be the most surprised man in Canada if this corporation accomplishes the purpose we all hoped in less than half a century—and I will not be here to know the results of that accomplishment. I say that not in any spirit other than frustration about a government which looks at a crucial situation and acts in respect of every step it takes with conservatism and lack of imagination. When I said "conservatism" I meant conservatism with a small "c". Let no hon. member on my right feel at all hurt. Compared to the hon. gentlemen opposite, even the party which is the official opposition is by comparison a group of roaring bolsheviks.

The last words in subclause 2 of clause 23 ask the corporation to consult and co-operate with the various agencies. The end of that clause says that the corporation shall not undertake any action in relation to such objects if that action can be more appropriately carried out under any other assistance program. I do not know what programs the drafters of the legislation may have had in mind, but I think one might be the ARDA program. I suppose the designated area program may come in somewhere, and obviously the manpower training program would come in. The corporation is asked not to undertake such programs. Of course I see the sense in this. Then it goes on to say:

> —or can reasonably be carried out without the assistance of the corporation.

I do not know what that means. What concerns me is, who is to decide this, and how will the decision be made? I should like to know what machinery the minister and his advisers have in mind for ascertaining and determining whether a certain action can be undertaken by some other agency without the assistance of the corporation. Is it the corporation which will make the decision, or who will make that decision?

Mr. MacInnis (Cape Breton South): This point can be found at the bottom of page 23 where it is said "if a committee to co-ordinate economic development," is set up.

Mr. Lewis: Would it be the committee or the corporation who will make that kind of decision?

Mr. Pepin: It would be made by the committee, which is defined in clause 2 of the agreement between Canada and Nova Scotia. I am quite aware of the problems to which the hon. member has referred. It is not easy to make the distinction between the Atlantic Development Board, ARDA and this Cape Breton corporation. Obviously they might at some times tend to do the same things, but generally speaking the Atlantic Development Board will work mainly at setting up what is needed to attract industry. I have a list in my hand of things they have done in the Cape Breton area. Let me give you an example or two. This board has established bulk handling facilities at Point Edward, provided additional water supply for Point Edward and established a sewage treatment plant for Point Edward.

As opposed to this, the Cape Breton corporation will do some industrial promotion. I will admit that at times the Atlantic Development Board has done some of the things the corporation will now be doing. There is another advantage in having both the A.D.B. and the corporation in that the corporation will concentrate more on Cape Breton than any other existing organization of the federal or provincial government. The answer to the question raised is that the committee will be the body to bring together all these agencies in an attempt to avoid duplication.

Mr. MacInnis (Cape Breton South): Mr. Chairman, I only pointed out the reference to the committee to show that it does not say there is to be a committee, but refers only conditionally to a committee being established. There is nothing here that sets up the committee or gives authority for setting up a committee. The reference is, if there is a committee to co-ordinate economic development, but nothing is said about its being set up.

Mr. Pepin: The agreement was prepared at a certain time, as was the bill, so we were not in a position to know during preparation which would come first.

Mr. MacInnis (Cape Breton South): That is nonsense.

Mr. Pepin: I am sorry, but that is the way it was. The hon. member may disagree with some things other people do, but they are not

necessarily nonsensical because of that. Some of them make good sense.

Mr. MacInnis (Cape Breton South): Am I to understand that the minister is saying that the bill and the agreement were set up at the same time but that it was not known what was in each? Could efforts not be co-ordinated a little better than that, rather than putting in the legislation the word "if"?

Mr. Pepin: We tried to do as well as humanly possible. An agreement between Nova Scotia and Canada is a two-sided affair, and we could not presume an agreement existed before it was signed. In any event the agreement was made and the "if" in the bill is now in fact a "when".

Mr. MacInnis (Cape Breton South): Let me draw the minister's attention to the fact that the agreement was signed on June 13 and the bill was printed and available for first reading on June 15, two days later. There were two days available for co-ordination of efforts.

Mr. Pepin: We apologize for not bringing into this matter the kind of efficiency the hon. member would have, had he been on this side.

Mr. Muir (Cape Breton North and Victoria): I just want to refer briefly to the exchange that took place between the Minister of National Health of Welfare and the member for Royal. A few days ago in this house I did read into *Hansard* a statement made by the Minister of National Health and Welfare prior to the last provincial election. I also referred to a statement made by Premier Stanfield prior to the last election. If the minister will check *Hansard* he will note that I said I had no doubt whatsoever that both statements were made in good faith. I still have no doubt that both statements were made in good faith.

The point I want to make is that since Mr. Stanfield made his statement and the minister made his statement, the president of Dosco, Mr. C. H. Drury, issued a statement that he had provided the premier of the province with information to the effect that there were no lay-offs expected in the foreseeable future.

• (10:30 p.m.)

This is why I was very pleased to hear the Minister of Industry say in the house tonight that he was quite willing to instigate a study of the operations of Dosco. I make this point because I ask: Who can believe what is said to either federal or provincial officials by this corporation? This has been the case down through the years.

Clause agreed to.

Clauses 24 to 29 inclusive agreed to.

On clause 30—*Officers and employees not servants of Her Majesty.*

Mr. MacEwan: Mr. Chairman, I wonder whether the minister could explain the reference to the Aeronautics Act in subclause 2 of clause 30.

Mr. Pepin: Mr. Chairman, this is apparently a clause that is found in all federal government legislation dealing with agencies. It deals with the application of a flying accidents compensation order. I understand it is a precautionary measure more than anything else.

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, may I ask the minister one short question? Will the president and all those holding senior positions be covered by insurance, and to what extent?

Mr. Pepin: What kind of insurance does the hon. member have in mind?

Mr. Muir (Cape Breton North and Victoria): Life, accident, sickness.

Mr. Pepin: I have no idea, Mr. Chairman. I do not know whether there is a policy at the moment. I will try to find out and inform my hon. friend privately.

Clause agreed to.

On Clause 31—*Corporation a proprietary corporation.*

Mr. MacInnis (Cape Breton South): Mr. Chairman, in respect of developments the corporation may bring about—I refer here to payments in lieu of taxes—will the corporation in any way be told, instructed or advised that in view of the fact that the mining towns will be vitally affected under this program, any development they can promote shall be carried out within the mining towns that will suffer as a result of phasing-out?

Mr. Pepin: Mr. Chairman, the purpose of the clause is to ensure that municipalities now receiving land taxes from the company shall not suffer through the loss of tax revenues. But I do not think I can give the assurance that the municipalities which receive taxes from the company now will go on receiving them at the same level under the

corporation if the taxes are related to coal mining.

Mr. MacInnis (Cape Breton South): Do I correctly interpret what the minister has said as meaning that the corporation will pay to the town of Glace Bay, the town of New Waterford, the municipality of Pictou, Sydney Mines, or wherever a mine is phased out, a sum of money to compensate for the loss of industrial taxes?

Mr. Pepin: I think that is the popular understanding. When the corporation ceases to produce coal I do not think it will go on paying taxes on coal. This would not apply to the company as it exists now, and I do not think it would apply to the new corporation, except with respect to real estate taxes.

The Chairman: Shall clause 31 carry?

Mr. MacInnis (Cape Breton South): Mr. Chairman, I do not understand the anxiety of the Chair in trying to rush this through when we are not getting full answers from the minister to the questions we ask. I have asked the minister whether this will be interpreted as meaning that the corporation, in setting up and assisting industries, will do so in the towns where mines are being phased out, or is it the intention of the government to centralize new developments in an industrial park?

Mr. Pepin: The simple answer is to say that clause 31 makes the crown corporation the same as a private company when it comes to paying taxes to municipalities.

Mr. MacInnis (Cape Breton South): I understand that, but apparently the minister does not understand the question I put to him. Because of the phasing out operations, the towns where coal mines are located stand to lose quite a lot of industrial assessment. Will any developments that the crown corporation assists be located in these towns so as to alleviate their loss? In other words, will the corporation direct that new plants be built in towns which are losing mines.

Mr. Pepin: I do not think we can give this assurance.

Mr. MacInnis (Cape Breton South): Then does the minister realize that not only will the individual miners lose, but also the towns? For instance the town of New Waterford depends greatly on the assessment of Dominion Coal Company property. If the mine is phased out in that town, and the corporation makes no effort to replace it with some industrial development, the town as a whole is going to suffer.

Mr. Pepin: This is exactly why we are providing millions of dollars to help develop the industrial bases of these towns.

Clause agreed to.

On clause 32—*General expenditures.*

Mr. Lewis: Mr. Chairman, I did not get into the chamber soon enough to ask this question when clause 24 was under discussion. I imagine that clause 32 as well as the bottom part of clause 24 contemplate parliament making appropriations to meet the policy which the Prime Minister set out in his statement on December 29, 1966, and which has been repeated a number of times during this debate, namely that the government expects there will be progressive savings in the subsidies which heretofore have been paid to the coal producing companies, and that the money thus saved will be made available to the funds of the development division of the new corporation.

In his statement the Prime Minister put it this way:

> Although it is anticipated that the operating losses in the first year alone will be in the order of $25 million—

And presumably that too is contemplated to be appropriated by parliament.

> —the mining program will progressively reduce these annual losses, and, hence, the federal funds required. From these annual savings in subsidies, money will become available to augment the economic development fund.

Later on in his statement the Prime Minister said:

> To further this objective—

That is the objective of developing industry on the island.

> —the government of Canada will augment its initial $20 million economic development contribution to the crown corporation from expected savings in federal subsidies.

We want to know from the government, through the minister, whether the government has given any thought to the way in which it will calculate the savings from the subsidies, and whether the amount of money to be voted will be exactly what its calculation of the savings comes to, or whether the calculation of subsidy savings will merely be a guide as to the amounts the government may ask parliament to appropriate for the purpose of augmenting the funds of the crown corporation.

Cape Breton Development Corporation

• (10:40 p.m.)

I think we ought to know in more precise terms what the Prime Minister means. A spokesman for the government and articles in the press, if I remember correctly, talked of $400 million eventually being appropriated for development purposes. If this is so, over what period of years does the government foresee this expenditure?

Mr. Pepin: Mr. Chairman, on this subject I can be very clear on general policies but not too clear on specifics. The quotation of the Prime Minister already given by the hon. member for York South is the statement of policy. There is a relationship between the amount of money saved and the amount of money to be invested by way of economic development. It might be less; it might be more. That is why the legislation could not tie the government to any specific calculation, such as saying that every $2 saved means there will be $1.79 spent. If I am any judge of the past the house will always be willing to do its utmost to help the people of Cape Breton, and especially to help the promotion of industrial development in that area. I do not think it could do better than that.

Mr. Lewis: May I follow that up for the moment. I could not expect the minister to give me figures, and I appreciate that it would not be an exact dollar for dollar relationship, but a guide, as I suggested in putting my question. However, one of the matters I have tried to understand is an obvious one. When the subsidies or subventions are related, as they have been, to the volume of production of coal, if there is an intention to phase out coal the volume will naturally decrease. Therefore the subventions that might have been paid will decrease.

I am sure that other members and the people of Cape Breton are equally as interested as I am in the magnitude of the expenditures that we are talking about. We know there is $20 million to start with. What order of magnitude of expenditure are we talking about over the next decade, for example, in connection with the fund to attract the development of industry on Cape Breton Island?

Mr. Pepin: If I recall correctly, in his report Dr. Donald talks about $150 million for industrial development over the whole period. It is very difficult to be more specific because it all depends on the rhythm of phasing out of the coal industry. The government will probably have to advance money, as we are in this case. The $20 million we are putting in will help planning, and two or three years from now another infusion say, of the same amount may be needed before there is a saving of, say, $10 million on the coal side. I hope this is not the case but it is possible. That is why it is difficult to tie the government to a rhythm of money saved-money allocated.

Mr. Lewis: The minister should know that you cannot be an economics accountant on the rhythm method.

Clause agreed to.

Clause 33 agreed to.

On clause 34—*Surplus Crown Assets Act does not apply.*

Mr. MacInnis (Cape Breton South): On clause 34 I would again draw to the minister's attention that portion of the railway between Broughton Junction and Louisbourg which is causing considerable concern in the town of Louisbourg. Representations have been made to a number of members of the house including the Prime Minister, the Minister of National Health and Welfare, the Leader of the Opposition, the leader of the N.D.P. and others. The Minister of National Health and Welfare should be interested in this matter because most of the line is in his constituency.

Can the minister not tell the house what the board of trade of Louisbourg was told about why the line would be cancelled? Possibly the Minister of National Health and Welfare could tell the committee about that.

Mr. Pepin: I gave a lengthy answer to this question at page 1696 of *Hansard*, last week. The short answer is that this railway is not useful or valuable for the continuing operation of the coal mine. The business activity on the railway is extremely low. Last year it took in about $18,000 in revenue and expended about $50,000, if my memory serves me well. There is no interest, so far as the coal mining operation is concerned, in this railway.

Mr. MacInnis (Cape Breton South): The railway may not be of interest to the coal operation, but my question involved the municipalities of Louisbourg and Broughton. I want to know what was said to the board of trade of Louisbourg about the cancellation of this portion of line. I realize that the rolling stock on this line belongs to Dominion Coal and that the corporation will take it over. The line itself is useless without the rolling stock. Could not the Minister of National Health and Welfare, in whose constituency Louisburg is situated, answer my

question? What has been said so far is not a reasonable explanation.

Mr. Lewis: May I follow the hon. member's remarks with another question. If I remember correctly, as I visited the area some time ago, there is a fish plant there. Is it the intention that the line between Broughton Junction and Louisbourg be torn up completely? I understand that the entire line is not to be taken up. The line is to be dug up between Broughton and Glenville. What will happen to the line between Broughton and Louisbourg? What alternate transportation for the fish plant in Louisbourg will there be? I know that the business on the line is very small, but cannot one of the ministers concerned say what is to happen to the fish plant?

Mr. Pepin: An application to abandon the line is before the Board of Transport Commissioners. Also, as the fishing operation requires only one carload per week, or something like that, I presume that a couple of trucks would do the same job.

Mr. MacInnis (Cape Breton South): The minister is confusing matters when he says that the Board of Transport Commissioners is involved. We know that there have been hearings in Cape Breton on this matter, but is the minister prejudging the board's decision? What is the use of a railway without rolling stock—rolling stock which the corporation will take over. The Board of Transport Commissioners may rule that the line must remain in service. That ruling would be absolutely useless if no rolling stock is available. The corporation will have to service the line between Broughton Junction and Louisbourg.

Here we have a bill, then an agreement, and now the transport board is involved with a decision which has not been handed down. The corporation which removes the rolling stock will have to serve that line.

• (10:50 p.m.)

Mr. Pepin: I apologize for the first part of the answer which was straight information. The second part is the real answer.

Clause agreed to.

On clause 35—*Works and undertakings declared to be for general advantage of Canada.*

Mr. Muir (Cape Breton North and Victoria): The committee will remember that previously we did change the wording in different portions to read "island" and I wonder whether the committee would entertain a similar amendment at this time.

I move:

That in clause 35, line 3, the word "county" be changed to "island" and that in line 5 the word "county" be also changed to read 'island".

Some hon. Members: Agreed.

Amendment agreed to.

Clause as amended agreed to.

On clause 36—*Commencement.*

Mr. MacInnis (Cape Breton South): I was about to remark that despite what may have appeared to be some delay, the minister did get this legislation through rather quickly having regard to the complex nature of the bill and what he is asking of members of parliament.

I would only ask in connection with clause 36 when it is the intention of the government to have this bill proclaimed.

Mr. Pepin: As soon as possible.

Mr. MacInnis (Cape Breton South): I should like to have a more definite answer than that. "As soon as possible" is a phrase which has been used by the government for three years. It was used three years ago in connection with something which has still not come about. Can the minister tell us whether this bill will be proclaimed in time to permit some activity by the crown corporation this summer?

Mr. Pepin: Immediately after it has been approved by the Senate and given royal assent.

Clause agreed to.

On clause 1—*Short title.*

Mr. MacEwan: I wonder whether the minister in a few well chosen words can advise me when he may issue a statement clarifying the position with regard to the McBean mine and the workers and communities in that area. Now that this bill is just about through the committee stage, can he give us some idea when he might look into this and issue a statement?

Mr. Pepin: I will try to move as quickly as I can. I have already dealt with the subject at some length, as reported at page 1673 of *Hansard*. In the course of that statement I made five main points. First, I explained why we could not include the mine in the legislation. I think this is now understood. Second, I pointed out that the mines were reaching a state of natural exhaustion. Third, I explained that we had made an offer to Dosco to continue subsidies at the present level. We have not received any official response to this offer. The fourth point I made was that a

private operator might want to take over the mine. I agreed this might happen, but I do not know if it will.

The fifth point was the most important. We shall bring in all possible federal and provincial support to soften the blow if the mine has to be closed. I cannot say yet whether it will have to be closed. I concluded by saying that the money saved, if the mine is closed more rapidly than is anticipated, will be a consideration to be borne in mind by the cabinet in deciding what most favourable terms shall be given to McBean. I do not think I can be more specific at this point. As soon as I can I will go down there to discuss the matter with the people in the area and learn what their views are. I hope they will not simply tell me to ask the corporation to take it over. I hope they will have some progressive ideas to offer.

I can only say what I attempted to say the other day when the Speaker stopped me, that is what has been done in Pictou county. The Atlantic Development Board has invested $14 million in the area in the last two years. The area development agency has provided $7 million in the form of grants to 11 projects in Pictou, bringing in a total investment of $58 million in this area, again in the last two years. About 1,400 new jobs have been created. This is probably still not enough, and I can only say we will try, as a government, to do more of the same.

Mr. MacEwan: I thank the minister for this statement. Earlier in the debate I stated that the $12 million for a new thermo power plant should be considered in the light of the fact that you have a mine within ten miles which could provide 400,000 tons of coal for the expansion of this plant to 150 killowatts. This does not seem to make too much sense. I intend to put a question on the order paper forthwith with regard to the 11 projects the minister mentioned. Probably the Minister of Industry will say the information is confidential.

I think we should know about these projects. Perhaps the minister could provide answers in written form at some time. However, I intend to find out about them. I welcome the fact the minister said he would be willing to meet with the people from the area, the mine workers, civic officials and representatives of the provincial government, at an early date. Certainly what he has said has not been clear. I am glad that he finds it quite funny that there are 400 people in the county of Pictou who have sent telegrams, and who do not find this situation funny.

[Mr. Pepin.]

Mr. Pepin: I apologize at having to correct the hon. member. I do not find it funny at all. I just mentioned to some of my neighbours that they will be coming with me, and they were pleased to know that.

Mr. MacEwan: We will welcome any members of the cabinet, if they care to be enlightened and leave their ivory towers in Ottawa. We will give them a Scottish welcome, and perhaps open their eyes. I am glad to hear the minister say that he will come down to that area, and I hope it will not be next year.

Mr. Fairweather: Since we are members here representing not only particular areas but the whole country, I want to include an invitation to the minister to make a detour during his visit to Nova Scotia into the constituency of Royal and the Minto-Chipman area. There are some 1,500 people in that area either directly or indirectly involved in coal mining, who are extremely apprehensive about the future of the industry there. I cannot promise the minister a Scottish welcome but I can promise him a straightforward welcome.

Some hon. Members: Hear, hear.

Mr. Fairweather: Today the Minister of National Defence became involved in Scottish origin, and it is getting very late for that. Seriously, the people in our area are apprehensive about the future. They would like to be assured that if the technique involved in this new crown corporation is a viable one, the government would consider the same sort of thing for that area where the miners face, to say the least, an uncertain future.

I am sorry to have to make these remarks at eleven o'clock, but I have been waiting some time for clause 1 so I could be in order.

Mr. Pepin: I thank the hon. member for making this point. It illustrates how difficult it is to do something for one area without all the other areas of Canada, some of which have difficulties too, trying to get the same advantage. I point out this particular aspect of the problem to the hon. member for Pictou, and I am sure he understands it.

Mr. MacEwan: The answer is no.

The Chairman: Shall clause 1 carry?

Mr. Muir (Cape Breton North and Victoria): I have just one final word before the minister says his prayers and goes to bed. I am wondering if he is aware of this fact? If drastic

changes do not take place in the steel industry in Nova Scotia, then mark my words this 27th day of June, the next bill that will be introduced in this house will be one to take over the steel industry, because this is the course which will have to be followed if changes do not take place so far as the corporation is concerned.

• (11:00 p.m.)

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time?

Some hon. Members: By leave now.

Mr. Pepin moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

Mr. A. J. P. Cameron (High Park): Mr. Speaker, even at this late hour I should like to ask the indulgence of members so that I may be permitted to revert to motions to present the report of the special joint committee on divorce.

Hon. Gordon Churchill (Winnipeg South Centre): How long will it take?

Mr. Deputy Speaker: Does the hon. member have permission to revert to motions at this time?

Mr. Churchill: We have gone on for an extra hour now. I should like to know what urgency there is about this matter tonight. Could it not be dealt with on motions tomorrow?

Mr. Cameron (High Park): The understanding I had with the joint chairman of the committee was that it would be presented tonight at eight o'clock. Since the Speaker was not in the chair until now, I waited until this time, because I had told the joint chairman that it would be presented tonight. That is the urgency so far as I am concerned.

Mr. Churchill: Is there anything wrong with it being presented tomorrow; is there anything which might happen to the report in the interval?

Mr. Cameron (High Park): I thought that my hon. friend from Winnipeg South Centre (Mr. Churchill) would agree. It will only take about 30 seconds.

Mr. Churchill: That was my original question. I asked how long it would take and it has taken you about three minutes to tell me.

Mr. Deputy Speaker: Does the hon. member have leave of the house to revert to motions?

Some hon. Members: Agreed.

DIVORCE

SECOND REPORT OF SPECIAL JOINT COMMITTEE

Mr. A. J. P. Cameron (High Park): presented the second report of the special joint committee of the Senate and House of Commons on divorce.

He said: Mr. Speaker, by leave I move:

—that the second report of the special joint committee of the Senate and House of Commons on divorce tabled this day be appended to today's *Votes and Proceedings*.

Mr. Deputy Speaker: While the motion presented by the hon. member for High Park (Mr. Cameron) is not in the usual form, I will allow it to be presented to the house. Is it the pleasure of the house to adopt the said motion?

Motion agreed to.

Mr. Deputy Speaker: Is it the wish of the house at this time to proceed with the adjournment proceedings or to suspend them on this particular occasion?

Mr. Churchill: Suspend them.

Mr. Drury: Proceed.

Mr. Deputy Speaker: Is it agreed that we suspend them on this particular occasion?

Some hon. Members: Agreed.

Mr. Régimbal: Proceed.

Mr. Churchill: Let us suspend the questions, for the sake of the staff.

Mr. Régimbal: I cannot agree, sir. There are people here who have come from Calumet to back up this representation, and it would be unfair to suspend the questions at their expense. We have been patient and we have not said a word.

Mr. Deputy Speaker: Order.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

LABOUR CONDITIONS—CALUMET, QUE.—CLOSING OF C.I.P. PLANT

Mr. Roger E. Régimbal (Argenteuil-Deux-Montagnes): Mr. Speaker, on May 12 last, the 130 C.I.P. employees in Calumet were given notice by the company that the local mill would be closed within a year. In all fairness to the company, the notice gave them the assurance that it would assist in every way possible to facilitate training and transfer of employees to other operations of the company in other parts of the province.

We know that such decisions are very difficult to make, but that they are made and will be made again many times and in many places. Seldom does a decision, even though it had been expected, create as much fear, despair and havoc as it did in this particular case. Calumet is a small town of approximately 800 people, where some 85 families have been earning their living for some 80 years in the local sawmill.

The whole economy has been built up around that operation, so that when it closes the whole town and the whole population is not only affected, but completely disrupted. The corner store, the gas station, the bakery, the town employees and the teachers, in fact absolutely every institution and every person will have no alternative. Calumet will become virtually a ghost town. Through the years the citizens of Calumet have diligently and modestly built up their security, have established their families, built their schools, organized their services in every way and have proceeded as resolute, reasonable citizens to administer their own affairs in a sensible way. The best example of that is that, in spite of the fact the company pays about 30 per cent of the total tax bill, this is not in any way a company town. Calumet is absolutely free of indebtedness. We all appreciate that this is not an easy accomplishment when one considers how long it takes to develop an industrial operation with its ups and downs, recessions and depressions which are encountered through the years.

Then, overnight, the fruits of their labours are washed away, almost literally, down the river. Every dream, project or plan for the future will be shattered. As happens in such events, people have rallied together to face their problems. They hold no grievance against anyone but are naturally deeply concerned about their families, their possessions and their future, which will disappear with their town.

In the gallery tonight are the mayor, and representatives of the council, the union, the company and local business. They are not here as a pressure group; they are not here as marchers, nor are they here as demonstrators. They are not looking for handouts: They are looking for a helping hand, and hope to find it with the Minister of Industry (Mr. Drury). They believe the minister can help; and I believe he can help by a special effort which is not beyond his reach, his capacity or his jurisdiction, although it does call for his close personal attention.

We hope the minister will not tell us that this is a problem for the department of manpower, because it is not. The officers of that department have already been on the spot, and the company is giving full co-operation in retraining. This, however, solves only a very small part of the problem. We all know the shortcomings of the manpower retraining regulations in that they only help to buy one way tickets out of town to unknown places, where the mill employees do not necessarily want to go. It does not provide for the rest of the population, and in this particular case offers no solution to the employees themselves, a vast percentage of whom—I would say over 65 per cent—have attained a certain age, because they have already accumulated over 15 years service, where retraining is either difficult or impossible.

• (11:10 p.m.)

These people are not asking the minister to intercede to keep the plant open. They know this is unrealistic. They are asking, first, that the minister use his good offices to help them find a new industry. I am sure he will find that the company will co-operate in every possible way through its public relations department, its publicity department and its research department We would like the minister to spearhead a joint effort by government, the company, the town council and the union to find an industry.

Calumet is part of a designated area, so the minister knows better than anyone the facilities, services and incentives available to entice new industry. We want to entice new industry to the area before it all goes to Cape Breton. No one has more information than the minister on which to take the initiative in this regard.

Second, an area where the minister can also help is in facilitating, again with the co-operation of the company, the acquisition or transfer of the company land to the town for further development through the years to come, in order to diversify the town economy so that an event such as the present one will not recur. It is worth while noting, Mr. Speaker, that Calumet is the only town on the Ottawa river between Montreal and Ottawa that has no access to its river front, so that this request assumes a particular significance.

I brought this question to the attention of the minister in the adjournment debate—we should call it the late, late show tonight —because I wanted to put this point before him with as much force as possible. Even though the vast majority of the population involved are French speaking, I chose to address the house—and the delegation insisted that I do so—in English, to be sure that the minister would be able to listen to me directly without having to refer to his earpiece, although I know the minister handles himself quite well in the French language.

Therefore my question, Mr. Speaker, is: Does the minister contemplate any action and assistance to the people of Calumet, to help them help themselves out of a disastrous situation?

[*Translation*]

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, like the hon. member for Argenteuil-Deux-Montagnes (Mr. Régimbal), I am quite sorry to learn that the Canadian International Paper Co. is going to close down the sawmill at Calumet.

I am prepared—although I cannot offer industries, since I do not have them in my pockets—to make an effort and provide the co-operation of my department in looking for contractors who might be interested to go and settle in Calumet. I know that the Calumet area has lately been recognized as a designated area, and that may attract or influence some contractors to go and settle there.

Once again, Mr. Speaker, I can offer my help and my sympathy to the townspeople and as I said before, like everyone of us, including the hon. members here in this house, we regret the closing down of that sawmill.

Proceedings on Adjournment Motion

[*English*]

INDUSTRY—REQUEST FOR ASSISTANCE FOR CANADIAN FILM PROCESSORS

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I apologize for keeping the minister a little later on this late, late show, but my remarks will take only a few moments. I should like to bring to the attention of the minister something about which he may not be aware, and which I think is very important.

There is currently being distributed throughout Canada a promotional envelope soliciting photo-finishing at American mail order prices. The address to which the films are to be mailed for processing is the capital of the film world, Hollywood, California, U.S.A. The prices advertised are considerably lower than Canadian prices for similar processing. This in itself is all right. There is nothing wrong with competition in business as long as it is fair competition. But the question here is whether this is fair competition.

If we look at the facts we see first that the processing procedures for film are fairly well standardized in the United States and Canada. The equipment is identical in most instances. However, Canadian film processors in the photographic industry obtain most of their equipment from the United States. This is also true of photographic chemicals and other supplies of that nature entering this country. And here we have the first snag: Present government policy dictates that Canadian film processors must pay duty on all equipment, chemicals and supplies entering this country. Thus the cost of all photographic supplies in Canada is much higher than in the United States largely due to our Canadian duties and taxes.

In addition, still looking at the facts, Canadian processors add to the general economy of the country, as the minister knows, by paying income taxes and other taxes incidental to their Canadian citizenship. About this they do not complain unduly, since they are as willing as any other Canadians to undertake their obligations of citizenship. However, when they see competition from the United States threatening their livelihood because of arbitrary decision by government, or government directive, they are understandably disturbed.

What is this arbitrary, bureaucratic directive? It is that although Canadian processors must pay taxes and duty, instead of helping them by lowering these taxes and duties the government has seen fit to try the hands

across the border routine, and has permitted Canadian photo processing to be done in the United States and returned to this country duty free. I would submit to the minister that this is discrimination. Perhaps the minister is not aware that this sort of thing is going on. Certainly our American friends are aware of the situation and have been quick to seize on the excellent business afforded by our centennial year and by Expo, and have not hesitated to exploit the Canadian photo processing business for their own monetary advantage.

The industry is not asking for any special favour, but only for fair treatment. Either duty should be charged on the incoming processed film, or the photographic equipment, chemicals and other supplies used by our photographic industry should be duty free on entering this country. After all, our labour costs are somewhat lower here than they are in Hollywood and our industry could compete favourably with the United States industry if some of these arbitrary barriers to such competition were removed.

I would ask the minister to consider doing something about this. As he knows, this is a seasonal business, mainly conducted in the summer months. It is very important to our photo processors that something be done to help them in what is certainly their time of need. It does not help when they see envelopes like the one I now hold in my hand coming from Hollywood with the Canadian centennial emblem on them, giving a quasi-official stamp of Canadian approval to this method of soliciting business. I am sure the minister does not approve of this. Perhaps he will have some way to relieve this undue or unfair competition to the Canadian photo processing industry.

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the Minister of National Revenue has asked me to answer this question for him tonight, and so I regret the disappointment occasioned the hon. member for Saskatoon. However, I hope the information I have for him will be acceptable.

In answering the question I should first point out that the importations of which he speaks are not commercial importations, but are importations made by individual amateur photographers which consist of film exposed by them while abroad or at home in Canada. Much of this film was purchased by them at "process included" prices and returned for processing to the film manufacturer's processing plant.

[Mr. Brand.]

An exposed or processed film has for years been considered as being of no commercial value when imported for personal use and not for resale. Over the last year or so film processors in Canada have expressed views similar to those expressed by the hon. member. As a result, investigations were made to establish the validity of their claims. At that time little or no evidentiary support was available to uphold these claims or warrant a change in the non-commercial classification given to processed film imported by individuals for personal use and not for resale.

• (11:20 p.m.)

Recently the department entered into consultation with the Department of the Registrar General, who had requested that consideration be given in this matter to the consumer interests involved. At present the two departments are studying the price structure and other characteristics of the industry, taking into consideration the representations of the industry as well as those of the consumers.

I am advised that the results of these joint discussions may be expected in the near future.

[*Translation*]

HOUSE OF COMMONS—APPLICATION TO STAFF OF BILINGUAL BONUS

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, on April 6, 1966, the Prime Minister announced in the house his policy on bilingualism.

It will be recalled that these new methods of encouraging bilingualism will touch, in the first place, the positions requiring university training, second, executive and administrative positions and, finally, clerical and secretarial positions.

In the case of clerks and secretaries, a bonus will be paid in respect of clerical and secretarial positions in which there is a requirement for a knowledge of both official languages, provided the incumbents of such positions shall meet standards of competence established by the Public Service Commission.

In addition, the government was to take a certain number of general measures that would solidly establish bilingualism in the public service and in the federal capital.

This policy announced on April 6, 1966, Mr. Speaker, indicated and revealed a certain ment although, at the time, this policy seemed effort in the right direction by the govern-

quite timid and overly gradual, as emphasized to me by some members, by many newspaper commentators and by other Canadian citizens.

That policy, also set forth on April 6, contained certain deficiencies. Right then, a true statute of bilingualism should have been defined and the criteria whereby bilingualism fills a need should have been determined, rather than leaving the decision to the fancy of the new secretariat within the Privy Council. In addition, the creation of a protective and arbitration organization to settle grievances which would unavoidably arise was then overlooked.

It is to be wondered today, after this new policy on bilingualism has been in force for 15 months, exactly what progress has been made with regard to the positions then to be considered, first office clerks and secretaries, and also in the spirit that prompted the very statement of the Prime Minister, who was anxious to introduce bilingualism as soon as possible within the public service in the national capital. This measure seemed to be appropriate, in view of the following year, that is the present centennial year.

Well, Mr. Speaker, it seems now that this policy has not been followed according to the announcement then made. Apparently, a bonus of 7 per cent has been granted to certain classes of civil servants, that is to the clerks or secretaries, but according to some rumours, it seems that several of these classes have not yet benefited by this bonus for bilingual employees.

Naturally, there is some talk of not disturbing employees of long standing who are not bilingual and more or less interested in learning other languages. The point must be taken into consideration. Although we must not hurt employees of long standing who, particularly in the national capital, did not see the need of learning both of the official languages of Canada, believing the country to be unilingual, or thought it sufficient to speak only one language, we must also remember bilingual Canadians, found mostly and in great majority among the French Canadians. I am proud to say that we French Canadians understood the bilingual and bicultural nature of our country, and that our contribution in this respect has been great, although a certain discrimination is practised against several thousand civil servants who are apparently bilingual and competent, and who do 10 per cent of their work in the other official Canadian language.

We should therefore like to know from the government to what extent that policy has been implemented, and just how far the secretariat set up within the Privy Council has progressed with its work.

May I take this opportunity, Mr. Speaker, to ask the government not to let another hundred years go by, not to let another generation die, before implementing bilingualism somewhat intelligently and rapidly. Because most of the bilingual people are French Canadians, they should not continue to be discriminated against through slow implementation of the program.

That is why I wish to point out to the government how important it is to extend rapidly the bilingual standards advocated by the April 6 policy, to implement that policy in the federal capital, to extend the premium for bilingualism to the secretaries of the members, who are extremely competent, to the messengers, to the members of the parliament security service, to the employees of the various divisions of the house. I appeal, particularly, to the Speaker to kindly go along with this policy on bilingualism. We have bilingual constables. We would like to have more who would be able to answer the people who come here in the two official languages.

Several of the pages are bilingual as well and would deserve this bonus which is a token of competence and enrichment for any Canadian.

That is why we would also agree to an extension of bilingualism, and this bonus be granted to the employees of crown corporations, the armed forces, the R.C.M.P. and also the small wage-earners of the public service, just as in the case of government employees.

I am making this appeal because this is the best time to do so. By the way, July 1 and July 3 are not far away. July 3 is Confederation Day. It would be a good time to announce such a generous, liberal and Canadian policy.

[*English*]

Mr. Speaker: Order, please. The time allotted to the hon. member has expired.

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, with respect to the public service generally, I think most hon. members will know that the 7 per cent bonus for bilingual personnel has already been implemented for employees in the secretarial, stenographic and typing occupational group and that plans are proceeding as quickly as possible to extend it to other occupational groups.

• (11:30 p.m.)

Before an employee may receive the bonus, two conditions must be met. First, he must demonstrate a satisfactory degree of language proficiency by passing a test administered by the Public Service Commission. Second, the deputy head of the department in which the employee is working must make a determination that the second language in question must be used at least 10 per cent of the time in the performance of the employee's regular duties. With respect to the officers and secretaries of the House of Commons, this is a matter to be considered by the Commissioners of Internal Economy who will, I understand, be meeting again shortly.

Motion agreed to and the house adjourned at 11.30 p.m.

HOUSE OF COMMONS

Wednesday, June 28, 1967

The house met at 2.30 p.m.

SUPPLEMENTARY ESTIMATES, 1967-68

A message from His Excellency the Governor General transmitting supplementary estimates A 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), read by Mr. Speaker to the house, and referred to the committee of supply.

FINANCE, TRADE AND ECONOMIC AFFAIRS

THIRD AND FOURTH REPORTS OF STANDING COMMITTEE

Mr. H. E. Gray (Essex West): Mr. Speaker, I have the honour to present to the house the third report of the standing committee on trade, finance and economic affairs. In this report we are returning to the house the estimates of the Department of National Revenue.

I am also presenting to the house the fourth report of the standing committee on trade and economic affairs, which will return to the house Bill No. C-114, a private bill concerning United Investment Life Assurance Company.

[*Note: Text of the foregoing reports appears in today's Votes and Proceedings.*]

• (2:40 p.m.)

HER MAJESTY THE QUEEN

ADDRESS OF LOYALTY AND APPRECIATION OF PRESENCE ON CENTENNIAL ANNIVERSARY

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as hon. members know we are to be honoured by a visit from our Queen during which, on Saturday next, she will address members of both houses of our parliament. It is most fitting that she should be present in our capital city as we commemorate the day one hundred years ago when, because of the vision and determination of some great men, our confederation passed from dream to reality.

The crown, Mr. Speaker, through Queen Elizabeth, who in her own life represents so much that is fine and good in our society, is an integral and valued part of our constitutional structure. The monarchy symbolizes with grace and dignity the continuity of our institutions and the depth of our roots. It is a force for stability and ordered progress in our life, standing above controversy without any trace of partisanship yet adapting itself to the democratic and changing requirements and opportunities of modern life and society.

The Queen and her consort, Prince Philip, and their family have made themselves greatly admired, respected and loved by all Canadians. Their unselfish dedication and sense of duty have become a model for us all.

I am sure all hon. members would wish the Commons of Canada to extend to Her Majesty through the Speaker an expression of our loyalty and appreciation of Her Majesty's presence among us on our centennial birthday. Accordingly, Mr. Speaker, I move, seconded by the Leader of the Opposition (Mr. Diefenbaker), that an humble address be presented to Her Majesty the Queen on Saturday next, July 1, in the following words:

That an humble address be engrossed and presented to Her Majesty the Queen by the Honourable the Speaker on the occasion of the celebration of the centenary of confederation, 1st July, 1967 in the following words:

TO HER MOST EXCELLENT MAJESTY ELIZABETH THE SECOND,

By the Grace of God of the United Kingdom, Canada and Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

MOST GRACIOUS SOVEREIGN:

We, Your Majesty's dutiful and loyal subjects, the ..... Commons of Canada in Parliament assembled, wish humbly to convey to Your Majesty this expression of our deepest loyalty, affection and respect, and of our appreciation of the presence in Canada of Your Majesty and His Royal Highness the Prince Philip at the celebration of the Centenary of Confederation.

We pray that Your Majesty may continue to reign for many years as our gracious and beloved Sovereign.

And:

That a message be sent to the Senate informing Their Honours that the House of Commons had passed the said address and requesting Their Honours to unite with this house in the address by inserting therein the words "Senate and".

Mr. Diefenbaker: Mr. Speaker—

Mr. Grégoire: On a point of order—

Mr. Diefenbaker: In 1957—

Mr. Grégoire: On a point of order, Mr. Speaker.

Mr. Speaker: Order. The hon. member for Lapointe is rising on a point of order.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): On a point of order, Mr. Speaker. I would simply like to know if such a motion does not require a 48-hour notice before being discussed and, in such a case, Mr. Speaker, has the unanimous consent of the house been asked?

Mr. Speaker: Is it the pleasure of the house to introduce a motion moved by the Prime Minister (Mr. Pearson) and seconded by the Leader of the Opposition (Mr. Diefenbaker)?

Mr. Grégoire: Mr. Speaker, I will tell you quite frankly that I am willing to come to an arrangement with all the members of this house. I am ready to grant the unanimous consent but on one condition. Usually, when a motion like this is brought forth, the Prime Minister is permitted to speak as well as a representative from each of the parties. Now, if I want to state that it is carried on division, then, according to standing orders, I would not be entitled to speak, since only one representative of each party is allowed to speak on motions.

When this motion is moved, if I am not allowed to speak I ask then that a 48-hour notice be given. On the other hand, if I am entitled to give my opinion on this motion and say why, if it is passed, it should be passed on division, then, so as not to frustrate all members of the house, I am ready to give unanimous consent.

Mr. Speaker: Order. I believe the hon. member does not understand the present situation. There is no ministerial statement involved at this time on which only one representative of the other parties has the right to reply, but a motion duly introduced by the Prime Minister and seconded by the Leader of the Opposition, to which all members, including the member for Lapointe, have given their consent.

[*English*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I well recall that on October 14, 1957, when Her Majesty opened parliament she referred to the words of Elizabeth I:

> Though God hath raised me high, yet this I count the glory of my crown, that I have reigned with your loves.

[Mr. Grégoire.]

Then Her Majesty said:

> —here in the new world I say to you that it is my wish that in the years before me I may so reign in Canada and be so remembered.

Ten years have passed. The Prime Minister stated objectively some of the things the monarchy means and some of the things it has achieved under the present Queen, the Queen of Canada. The expression "Queen of Canada" was first used by Sir John Macdonald more than 85 years ago. Some argue in favour of ending the monarchy. Sir, our freedoms, the rights of Canadians and in particular those of our compatriots who are French Canadian, were achieved by and under the British crown.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: That was before there was any question of Canada's independence.

• (2:50 p.m.)

It is an interesting fact of history that throughout the entire gamut of the years there has always been, in Canada, a sovereign. This was so during the days of French rule. It has been so ever since. Those who argue that the day of the monarchy is over have been answered in words which I now adopt, words of Right Hon. Vincent Massey, the first Canadian to be Governor General, when he wrote:

> The monarchy is so essential to us that without it as a bastion of Canadian nationality, of Canadian purpose and Canadian independence, we could not, in my view, remain a sovereign state.

That is the opinion of one who through the years served this nation both nationally and internationally and who occupied the position of representative of the crown.

I join with the Prime Minister in welcoming to Canada Her Majesty the Queen of Canada. The overwhelming sentiment of Canadians will be deep respect and affection; affection for a person who is well loved in her own right, and respect for the fact that she represents in terms of freedom and human dignity that something which is above political partisanship.

She is the head of our political system. As a symbol of the state she commands a loyalty which transcends any other possible symbol. Finally, as the Prime Minister stated, with her husband Prince Philip and her children she represents to all the beauty and fullness of a family in the highest degree. As Queen or as mother, in majesty or simplicity, the Queen of Canada has devoted herself to the

primary duty of the monarchy, that is service to the people. I recall the words of the first Elizabeth in 1601 when she said:

> There will never queen sit in my seat with more zeal to my country, care to my subjects, and that will sooner with willingness yield and venture her life for your good and safety than myself.

Those words, spoken 400 years ago by the Queen of England, sum up the credo of service of the present Elizabeth, and I am honoured to be given the privilege of seconding this motion of loyalty to one who in her person epitomizes all that is good in the human family, one whose life has been of devotion to the service of the state.

My only hope is that from time to time in the years ahead she will again follow the course of opening the Canadian parliament and other parliaments in the Commonwealth. I second the motion with approval and with deep sentiment.

Some hon. Members: Hear, hear.

Mr. David Lewis (York South): Mr. Speaker, on behalf of our party I wish to join the Prime Minister and the Leader of the Opposition in welcoming Her Majesty and Prince Philip to Canada in this important year of the centenary of our confederation.

It occurred to me as a student of political science when the Prime Minister rose to pay his tribute and to move the resolution, that our democratic system in Britain, as in Canada, has in large measure been a development arising out of the original powers of the monarchy and the democratic institutions which later followed. I think the great achievement of our system has been its ability to retain the qualities of dignity, leadership and service attached to the monarchy while developing democratic rule by our people, through our parliament and the members of parliament.

For this and other reasons I am happy to associate our party with the expression of loyalty from the Prime Minister and the Leader of the Opposition to Her Majesty, to express our admiration for the dignity with which she has performed her onerous duties, and to join with other members of the house in expressing to Her Majesty and Prince Philip our deepest affection.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, as a French Canadian, I want to join the right hon. Prime Minister (Mr. Pearson) and the preceding speakers to welcome Her Majesty the Queen of England to Canada.

I do not believe that our present government, as suggested by the right hon. Leader of the Opposition (Mr. Diefenbaker) is 100 per cent monarchic. I always believed that we had a democratic government, and I believe it more and more strongly. As a matter of fact, I cannot reconcile monarchy and democracy. It is one or the other, and not both together.

As French Canadians, we must be grateful to the British crown which was, I believe, at the origin of the present constitution, the basis of confederation, the centennial of which we are celebrating in 1967.

We believe that if there were certain breaches of the constitution, as initially thought out by the British crown, it was certainly not by the British crown but by some English-speaking people who even believed at the time, 100 years ago, that the British crown was favourable to French Canadians and had, as a matter of fact, established that constitution for the benefit of the French-Canadian element in Canada.

That is why we owe a debt of gratitude to the British crown which, in my opinion, acted in a spirit of justice at that time. I hope, therefore, that Her Majesty will see for herself, when she comes to Canada, whether we have benefited from the advice she gave us the last time she was in Quebec city when she said this:

> A dynamic state must not be afraid to review its political philosophy. It is not surprising that an agreement drafted a hundred years ago does not necessarily meet all the requirements of this day.

Thus, Her Majesty invited us to become adults and to leave the cradle and grow in our country. I wonder what she will think when she comes soon, and I hope that she will repeat her previous advice, so that some hon. members in the House of Commons will become adults as soon as possible and welcome as adults, independent men and great Canadians, every royal guest who will visit us.

• (3:00 p.m.)

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, there have been other occasions when we have been honoured by the presence of Her Majesty the Queen of Canada and His Royal Highness Prince Philip, the Duke of Edinburgh, but we are looking forward with particular pleasure to welcoming them on this occasion, the 100th anniversary of confederation.

Addressing the Canadian Club of Toronto several years ago the first native born Governor General of Canada stated four reasons for the value and importance of the crown; the crown at the head of the political system; the crown as the head of the intangible thing we call the nation; the Queen as the head of state, and the Queen with her husband and family the first family of her realm, showing us the essential unit of human society at its best.

It is with a profound feeling of pleasure and satisfaction that we in the Social Credit party support the motion just proposed by the Prime Minister and seconded by the right hon. leader of the official opposition, welcoming Her Majesty to Canada and assuring her of our affection, loyalty and respect.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, there is a saying in British politics which goes like this: The king or the queen reigns but does not rule. This gives rise to another saying: The king or the queen can do no wrong. That is obvious, Mr. Speaker, when we speak of Her Majesty the Queen of England. This concerns, to my mind, the system and the institutions themselves rather than the person of Her Majesty the Queen of England.

We have no personal reproach to address Her Majesty, far from it. She has always been an example by her personal and public behaviour, but what I find objectionable in that motion, Mr. Speaker, is the very system represented by the British monarchy in Canada.

We can read at the beginning of this address:

> By the Grace of God of the United Kingdom, Canada and Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

Mr. Speaker "Queen of the United Kingdom, Canada and her other realms and territories", this means queen of numerous independent and self-governing countries, and I feel the time has come for the North American people to assume their responsibilities as adults, as stated earlier by the hon. member for Roberval (Mr. Gauthier), and to make or, at least, bring about in our country the political changes necessary to have our independence definitely recognized.

For instance, when in 1963-64, I was a member of the Canadian delegation to the United Nations as parliamentary observer, the present Prime Minister (Mr. Pearson) was invited or, at least, was also a member of the Canadian delegation to the United Nations, and he was not treated as a Canadian head of state, indeed not, because that role belongs exclusively to the Queen of England. I must say, Mr. Speaker, that, at that point, I felt ill at ease for the Prime Minister, the man appointed by all Canadian citizens, and who democratically represents the authority in Canada. He was not treated as head of state by the other peoples of the world. Indeed, he had to leave his seat at the back of the hall of the United Nations general assembly and cross the full length of the hall to address the other countries, while the other heads of state of the world, whether heads of small, middle-sized or large countries, got what is known as the blue chair treatment; they sat in front on the platform, and only had to go from there to address the other nations of the world.

But our Prime Minister, the head of our country elected democratically by the Canadian people, the only one elected democratically by the Canadian people, could not be treated as head of state, because that is reserved solely for the Queen of England.

Well, Mr. Speaker, being a Canadian embarrassed me on that day. And, I told myself: a fundamental change must be made in our political institutions.

Our Prime Minister was not the head of state recognized by the United Nations, the Queen of England was. Mr. Speaker, if only to prove to the other nations of the world that Canada is truly independent, is not a colony, for the sake of self-respecting Canadians, a change is imperative.

Another reason, Mr. Speaker, why a change is necessary is that each time the Queen's representative attends some public event, well, England's national anthem is played before ours.

That is another situation in which Canadian citizens worthy of that name must be embarrassed, because I have been on several occasions when the national anthem of a foreign country was played instead of ours.

Why all this? Because our political institutions force us to accept that state of affairs. Well, Mr. Speaker, I protest against the use of words such as:

> By the Grace of God of the United Kingdom, Canada and Her other Realms and Territories Queen, Head of the Commonwealth, etc.

I could agree to the title of "Head of the Commonwealth". "Queen of England, of the

United Kingdom, Head of the Commonwealth", I am ready to accept and recognize that. But, Mr. Speaker, I believe the constitution must be changed in Canada.

We pray that Queen Elizabeth may continue to reign for many years, I am ready to accept that. "Queen of Canada", I agree less with that, and I am not the only one in this house. There is even a Liberal member who once had the courage and boldness to confess to this, to shout it out in this house. I agree with the hon. member for Lotbinière (Mr. Choquette), who once claimed that Canada should become a republic instead of remaining a constitutional monarchy.

Mr. Speaker, I have nothing, and I conclude with this, against the person of Her Majesty the Queen of England. On the contrary, I think that she fulfils her role magnificently as Queen of England, that she had always given a good example to all the heads of states across the world. But, I believe that it is time, in this land of America, for a people such as ours, to become adult even in spite of very strong feelings, and I quite understand that some hon. members who spoke before me may have such deep feelings. However, feelings are not enough and reason must prevail.

Mr. Speaker, it is precisely because I understand, without accepting it, however, the thinking of many others in this house, that I did not refuse unanimous consent.

This motion could have been moved on Friday and even after forty eight hours, it would have been the same. However, I want to register my disapproval with regard to that motion. If it is agreed to, I would like the words "on division" mentioned, and in the last paragraph where it says:

That a message be sent to the Senate informing Their Honours that the House of Commons had passed the said address—

I should like the words "on division" to appear.

However, when the motion is presented and the words "on division" are mentioned, I pray Her Majesty the Queen of England to believe that I have nothing against her personally; on the contrary. I wish her a pleasant stay in Canada.

Many heads of state will be visiting us this year and they are all welcome. Whether it is the President of India, the President of the United States, the Queen of England, the President of the French Republic or the President of Italy, they are all welcome and I wish them a pleasant stay in our country. As for the Queen of England, in addition to wishing her a pleasant stay in Canada, I hope that she will enjoy her visit to Expo '67. But as far as this motion is concerned, Mr. Speaker, if it is carried, I ask that it be on division.

[*English*]

• (3:10 p.m.)

Motion agreed to.

Mr. Grégoire: On division.

TRADE

STATEMENT ON GENEVA AGREEMENTS TO BE MADE ON JUNE 29

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I wish to inform hon. members that the final act of the Kennedy round agreements is being signed in Geneva on Friday morning. In view of the time difference it has been decided that the announcement of the results will be made in Canada on the preceding evening. On behalf of the Minister of Finance and myself I will be tabling in the house at 8 p.m. on Thursday, June 29, detailed information about the trade and tariff agreements concluded in the Kennedy round.

This information will also be made available to the press for release at the same time, and will be sent without delay to trade associations for distribution to individual firms across the country. I will also be mailing the material to some 150 firms which have approached us directly.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I hope the minister will detail the detrimental effects on various industries of the adoption of a pronounced reduction in tariffs. We have a right to know before this session ends what industries will be opened to competition from abroad, what assistance is contemplated by the government for industries affected, and also what will be done in respect of workers and employees.

Competition for the domestic market will be intensified. Under this plan Canada's foreign trade will prosper only if her prices are comparable in relation to the international market-place. What will the Canadian government do to improve productivity and competitiveness? We have not had a word from this government except in speeches outside parliament. We want to know here and now before this session is adjourned what are the facts and the programs. Does the government know, or is it facing a mirage in the future,

the effects of which are not known? The Minister of Transport is a postgraduate in the course of indifference about these matters. He can laugh. He can ridicule now, but Canadians know this government has bought an agreement the effects of which are not at all known to them. What are the government's proposals to deal with the serious situation which will arise?

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, it is not really possible to comment on the Kennedy round until we have the details, but I would hope that one of the results of the implementation of the tariff changes will be that the government will devise a different policy from the one they have had to date which has put an undue emphasis on the export of raw and semi-manufactured materials, and will direct their policies to the development of secondary industry in Canada to compete with the goods which, as the Leader of the Opposition said, will tend to come here in greater volume than they do now.

CAPITAL PUNISHMENT

AMENDMENTS TO SUSPEND FOR TRIAL PERIOD AND TO PROVIDE FOR PAROLE

Mr. Robert Stanbury (York-Scarborough) moved for leave to introduce Bill No. C-141, to amend the Criminal Code (abolition of capital punishment) and the Parole Act (persons convicted of murder or treason).

Some hon. Members: Explain.

Mr. Stanbury: Mr. Speaker, after listening to the hon. member for Lapointe (Mr. Grégoire) today I was tempted to withdraw the bill. On the other hand I have concluded that he is already dead politically.

This bill proposes to follow the British precedent in suspending capital punishment for the trial period of three years during which it would be replaced by a mandatory sentence of life imprisonment with parole possible only on approval by both the National Parole Board and the governor in council.

Motion agreed to and bill read the first time.

CRIMINAL CODE

AMENDMENT RESTRICTING USE OF FIREARMS

Mr. Fernand-E. Leblanc (Laurier) moved for leave to introduce Bill No. C-142, to amend the Criminal Code (firearms).

[Mr. Diefenbaker.]

[*Translation*]

Some hon. Members: Explain.

Mr. Leblanc (Laurier): Mr. Speaker, last year, on June 28, 1966—which is an anniversary—I had the honour to introduce Bill No. C-214, concerning firearms problems. For lack of time, however, the bill was not debated. Nevertheless, on October 12, 1966, I had the pleasure to discuss that question, when my notice of motion concerning the same problem was called.

The bill being introduced today emphasizes the education of the people of Canada as to the use of firearms.

I hope this legislation will contribute not only to the restriction of crime but also to the prevention of the numerous accidents which are due to an excessive use of firearms.

[*English*]

Motion agreed to and bill read the first time.

REQUIREMENT THAT INJURIES TO CHILDREN BE REPORTED

Mr. Jack A. Irvine (London) moved for leave to introduce Bill No. C-143, to amend the Criminal Code (maltreatment of a child).

He said: Mr. Speaker, in the previous session I introduced a bill which I am now replacing with this one because several changes were necessary. In the first place this bill makes it obligatory on everyone to report maltreatment of children. Legislation has been passed in some of the provinces but I maintain there are no teeth in it because no penalties are attached. I suggest that separate penalties be imposed on the medical profession and somewhat lesser penalties on all other individuals, thus making it necessary for everyone to report any instances of maltreatment of a child of which they have knowledge.

However, there is a further provision which I think should be contained in the legislation, namely that a person who reports information should be free of libel if it were proved later that there were no grounds for the accusation.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*COST OF TRUSCOTT SUBMISSION TO SUPREME COURT

Question No. 8—**Mr. Brand:**

1. What was the total cost to the government of the submission to the Supreme Court of Canada on behalf of Steven Murray Truscott?

2. What are the names of the following and the amounts paid to them (a) defence counsel (b) crown counsel (c) witnesses?

3. What other costs have been paid?

4. Have all bills been rendered and, if not, who has not as yet submitted an account?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, this answer contains a long list of figures, fees, disbursements and totals, and I am wondering if I could just read the totals and perhaps the other details could be taken into *Hansard*.

Some hon. Members: Agreed.

Mr. Churchill: Mr. Speaker, is this not the type of answer that might be made an order for return if copies could be made immediately available to members? I do not think it should be printed in *Hansard*.

Mr. Speaker: Is it the wish of the house that the question be made an order for return?

Some hon. Members: No.

Mr. Speaker: There is objection, so it will appear in *Hansard*.

[*Editor's note: The answer to the question is as follows:*]

1. $95,955.43 in direct expenditure.

2. (a)

	Fees	Disbursements	Total
G. A. Martin, Q.C.	26,946.00	7,095.67	34,041.67
E. B. Jolliffe, Q.C.	14,115.00	1,379.02	15,494.02
R. J. Carter	Nil	Nil	Nil
			49,535.69

(b)

	Fees	Disbursements	Total
W. C. Bowman, Q.C.	Nil	629.34	629.34
D. H. Scott, Q.C.	Nil	421.53	421.53
D. H. Christie, Q.C.	Nil	105.00	105.00
			1,155.87

(c)

Defence Witnesses	Fees	Disbursements	Total
Prof. F. E. Camps	2,835.23	2,799.07	5,634.30
Dr. Chas. Petty	1,900.00	498.96	2,398.96
Prof. V. L. Henderson	700.00	59.50	759.50
Dr. J. Rich	1,198.90	149.16	1,348.06
Dr. R. C. A. Hunter	800.00	103.71	903.71
Dr. F. Joffe	1,000.00	190.14	1,190.14
Dr. Robson	100.00	65.59	165.59
Dr. R. J. McCaldon	200.00	23.65	223.65
Dr. R. F. Briggs	200.00	38.10	238.10
Dr. Tillman	25.00		25.00
Dr. C. W. Danby	1,100.00	173.39	1,273.39
Mr. J. A. Churchman	250.00	5.00	255.00
Dr. Gray	50.00		50.00
Dr. N. Wrong	300.00	58.00	358.00
Dr. E. L. Marcinkovsky		98.70	98.70
			14,922.10

Crown Witnesses	Fees	Disbursements	Total
Dr. M. Helpern	1,291,45	360.15	1,651.60
Dr. M. Sharpe	1,400.00	75.75	1,475.75
Dr. S. R. Gerber	2,367.55	207.62	2,575.17
Dr. J. M. Hunt	237.04		237.04
Dr. E. Trow	600.00		600.00
Prof. K. Simpson	1,490.37	861.71	2,352.08
Dr. Penistan	850.00		850.00
Dr. J. J. Hartford	875.00	24.50	899.50
			10,641.14

Questions

3. Court reporting, Factums and cases	18,048.29
Other crown employees travel etc	1,652.34
Total	19,700.63

4. Yes.

EXPORTS OF NAPALM TO U.S.

Question No. 13—**Mrs. MacInnis (Vancouver-Kingsway):**

1. Was any napalm exported from Canada to the United States in 1966 (a) by any government agency (b) by any other agency, person or company?

2. If so, what quantity?

Hon. Judy V. LaMarsh (Secretary of State): 1. (a) No. (b) not applicable.

2. Not applicable.

COST OF TRUSCOTT SUBMISSION TO SUPREME COURT

Question No. 16—**Mr. Cowan:**

1. What amount of remuneration was paid to the legal authorities engaged by the cabinet for the special Truscott hearing by the Supreme Court of Canada?

2. Taking account of the number of days occupied by the hearing and the number of days the justices of the Supreme Court of Canada needed to reach their decision, what was the value of the time consumed by the Supreme Court in holding this hearing?

3. What was the total amount of incidental expenses attached to the Truscott hearing?

4. What amount of compensation has been given by Canada to the family of Lynn Harper, who was the innocent victim of this murder?

Hon. P.-E. Trudeau (Minister of Justice): So far as the Department of Justice is concerned:

1.

	Fees
G. A. Martin, Q.C.	$26,946
E. B. Jolliffe, Q.C.	$14,115
Total	$41,061

2. Not capable of determination.

3. For the purpose of this reply incidental expenses includes all expenses except fees paid to defence counsel. Defence disbursements, $8,474,69; Disbursements of crown counsel, $1,155.87; Other crown employees' disbursements, $1,652.34; Witnesses' fees and disbursements, $25,563.24; Court reporting, printing of factums and cases, $18,048.29; Total, $54,894.43.

4. None.

ARMOUR STONE MATERIALS, FERRY TERMINI, P.E.I.-N.B.

Question No. 38—**Mr. Coates:**

1. What materials were used for armour stone when ferry termini were constructed at Cape Tormentine, New Brunswick, and Borden, Prince Edward Island?

2. What materials were used for armour stone when breakwaters were constructed at Cape Tormentine, N.B., and Borden, P.E.I., in conjunction with the ferry termini?

3. What has been the performance of the materials used at Cape Tormentine, N.B., and Borden, P.E.I., and over what period of time have these materials withstood the elements?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1 and 2. Mostly sandstone from Wallace, N.S., and Point du Chene, N.B.

3. The performance has been satisfactory and the materials have withstood the elements for approximately 50 years.

*PROSECUTIONS UNDER SECTIONS 150, 150A AND 150B OF CRIMINAL CODE

Question No. 67—**Mr. Peters:**

1. Since the adoption in 1959 of section 150, 150a and 150b of the criminal code of Canada, what is the breakdown by year of (a) the number of prosecutions under this section (b) the number of convictions (c) the number of jail sentences (d) the number of appeals to (i) provincial courts of appeal (ii) to supreme courts or superior courts of the provinces (iii) to the Supreme Court of Canada (e) the number of reversals?

2. Has the government under consideration any amendments to this section of the criminal code?

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, as the reply to part 1 of this starred question involves a great many figures, I wonder if the hon. member would be willing to have the table, giving the information available in the Dominion Bureau of Statistics, be taken as read and allow it to be printed in *Hansard*?

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

OFFENCES TENDING TO CORRUPT MORALS—150, 150A, 150B

	Indictable		Summary	Total	Sentenced to Gaol (by Provincial Courts)			Appeals*	
								Indictable	Summary
	(a)	(b)	(b)	(b)	(c)	(c)	(c)	(d) and (e)	
	Charges**	Convictions	Convictions	Convictions	Indictable	Summary	Total		
1965	23	19	417	436	2	32	34	1 from conviction (dismissed)	1 from conviction (acquitted)
1964	29	20	425	445	1	38	39	None	6 from conviction (5 dismissed—1 acquitted)
1963	14	13	381	394	2	38	40	2 from conviction (dismissed) 1 from sentence (dismissed)	12 from conviction (dismissed)
1962	30	28	263	291	3	34	37	3 from conviction (2 dismissed—1 acquitted) 1 from sentence (varied)	8 from conviction (7 dismissed—1 acquitted)
1961	19	19	78	97	2	11	13	1 from conviction (dismissed) 1 from sentence (dismissed)	2 from conviction (dismissed)
1960	10	8	101	109	2	10	12	1 from conviction (dismissed) 1 from sentence (dismissed)	2 from sentence (dismissed) 1 from conviction (dismissed)
1959	24	19	121	130	2	8	10	1 from conviction (dismissed) 3 from sentence (dismissed)	4 from conviction (dismissed)

*Disposition of appeals does not indicate which court was involved.

*Charges are recorded for indictable proceedings only.

***Statistics relate to the workload of the courts in a particular year, e.g. a 1964 appeal could have been from a 1963 conviction.

Mr. Béchard: Mr. Speaker, the answer to part 2 of the question is as follows: The government has under consideration the amendment to section 150 of the Criminal Code recommended by the standing committee on health and welfare in relation to contraception.

[*English*]

EFFECT OF EXPLORATION ACTIVITIES ON WILDLIFE

Question No. 114—**Mr. Orange:**

1. Has the Canadian wildlife service or any of the government departments or agencies of the government undertaken any studies to determine the effect of mining or oil exploration activities on the natural habitat of fur-bearing animals and on the normal fish runs together with their effect on wildlife migration in the Northwest Territories and, if so, what are the results of these studies?

2. Have the results of these studies, if any, been published and, if not, will they be, and when?

Hon. Judy V. LaMarsh (Secretary of State): In so far as the Department of Fisheries is concerned:

1. Department of Fisheries personnel have made observations during oil, seismic, exploration surveys. Exploration companies take precautions to avoid fish kills as stipulated by the department. No serious fish kills have been observed in the Northwest Territories.

2. No. No.

In so far as the Department of Indian Affairs and Northern Development is concerned:

1. This issue has arisen many times before and in the past has resulted in minor investigations reported by a memorandum from or to initiating agencies. We have been made aware of the following occurrences which may be construed as damage to wildlife habitat: (a) The destruction of lichen tundra by tracked vehicles—Recovery may take many years and tracked vehicles except those with very low ground pressure appear to be the biggest offenders. Most exploration companies are aware of this problem and there have been few complaints. (b) Councillor Robert Porritt of the Northwest Territories council has registered concern over the effect of staking in the Pine Point area on trapping and wildlife habitat. The amount of line cutting between Hay River and the Wood Buffalo national park boundary is quite extensive, but the detrimental effects on wildlife have not been assessed. The area is almost uniformly wet and boggy and openings effected by line cutting would dry some of the area and probably increase the amount of browse for ungulates. On the other hand, slash left by line cutting crews on ponds and streams reduces their suitability as muskrat and beaver habitat. This type of damage was investigated in Wood Buffalo national park by the Canadian Wildlife Service and commercial logging opertors were instructed to desist. (c) The Canadian Wildlife Service has alerted water carriers on the Athabasca river to report any pollution of the Athabasca and Slave rivers by effluent from the oil extraction plant at Bitumont, Alberta. Any oil travelling downstream could seriously affect waterfowl populations in Wood Buffalo national park and elsewhere and could also be detrimental to fish populations. At present, there is no evidence of pollution from this source. (d) The numbers of forest fires attributed to mining exploration crews have not been determined. It was felt that although the numbers may have been significant in the past, such crews are now obligated to carry fire fighting equipment of their own to reduce the incidence.

2. Present studies have not been intensive enough to warrant publication at present. It is expected that in the near future, a more systematic survey of this problem will be done and the material published.

[Mr. Speaker.]

*CHANGE IN COINAGE METAL

Question No. 124—**Mr. Reid:**

1. Will the metal in Canadian coinage be changed from silver to nickel and, if so, will industry be given sufficient warning to enable them to make the necessary conversions to coin-operated machines?

2. Will the government provide help financially, or otherwise, during such conversion?

[*Translation*]

Hon. Jean Chrétien (Member of the Administration): Mr. Speaker, the first part of the answer is as follows:

1. As announced in the House of Commons on June 5, 1967, it is the intention of the government to change the composition of our present 10 cent and 25 cent coins to pure nickel and to relate the introduction of these nickel coins to the requirements of the vending industry in respect of the installation of new coin selector devices.

2. Assistance has been requested by the Canadian Automatic Merchandising Association and the association has been asked to support its request with further information and argument.

[*English*]

CONTROL OF FIREARMS OWNERSHIP

Question No. 133—**Mr. Mather:**

1. How many persons were known to have been slain in Canada in 1964, 1965, and 1966?

2. Of these numbers, how many persons died from a bullet?

3. What are the views of the government with respect to present controls of firearms ownership?

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

1. (a) The total number of persons slain, i.e. dying or killed accidentally or by other violent means were:

	Death classified as:			
	Total	Accident	Suicide	Homicide	Other
1964	12,396	10,564	1,586	241	5
1965	12,957	10,978	1,715	259	5
1966	not available				

(b) of the above the following number of deaths were due to firearms or explosives:

	Death classified as:			
	Total	Accidental	Suicidal	Homicidal
1964	847	180	560	107
1965	868	138	622	108
1966	not available			

2. Of the numbers shown in 1(b), the following number of deaths were due to wounds caused by bullet or other firearms ammunition:

	Death classified as:			
	Total	Accident	Suicide	Homicide
1964	not available			
1965	857	127	622	108
1966	not available			

3. The Minister of Justice is presently reviewing the provisions of the Criminal Code relating to firearms and considering many representations on the subject received from interested organizations and individuals and the Government will reach a decision on this question in light of the study that has been mentioned.

GOVERNMENT PRINTING BUREAU

Question No. 160—**Mr. Godin:**

1. Which of the following terms is the actual official name, in French, of the printing bureau (a) National Printing Bureau (b) Canadian Government Printing Bureau (c) Queen's Printing Bureau?

2. Does the Canadian Government Printing Bureau occupy the entire building located on Boulevard du Sacré-Coeur in Hull, or are some sections rented to other agencies of the federal government and, if so, what are these agencies?

3. Does the printing bureau have any of the following divisions in the city of Ottawa (a) printing shops (b) sales offices (c) storehouses and, if so, where are they located?

4. How many employees are listed directly on the payroll of the printing bureau?

[*Translation*]

Hon. C. M. Drury (Minister of Industry): 1. The answer is (b) Canadian Government Printing Bureau.—(Imprimerie du gouvernement canadien.)

Questions

2. No—Public Printing and Stationery; Department of National Defence (two branches); Department of National Revenue, Taxation Division; Unemployment Insurance Commission; Department of Defence Production—Canadian Government Supply Service; Royal Canadian Mint.

3. (a) Printing shops (Outside Printing Units); Bourque Building; Brooke-Claxton Building; Cartier Square; Centennial Towers; National Revenue (Taxation); Rockcliffe; Wellington Street (Trade & Commerce and Department of Veterans Affairs); Confederation Heights; Tunney's Pasture (Dominion Bureau of Statistics); MacKenzie Avenue (National Revenue, Customs & Excise); Laurier Avenue; Sir John Carling Building. (b) No. (c) No.

4. 1,444 employees (April 30, 1967.)

[*English*]

DISPOSITION OF ADCOM NETWORK

Question No. 163—**Mr. Laprise:**

1. On what date was the parent section of the ADCOM network sold, who purchased it, and at what price?

2. Did the Department of National Defence and the government of the United States reserve or rent channels on the parent ADCOM network?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Defence Production and National Defence as follows:

In so far as Crown Assets Disposal Corporation is concerned:

1. The complete ADCOM network, including the parent section, was sold on April 1, 1967 to the Bell Telephone Company of Canada, Limited for $1,900,000 and free rental circuits for a one year period at an estimated value of $1,800,000.

In so far as the Department of National Defence is concerned:

2. As part of the agreement of sales, all the channels in the ADCOM system, required by the defence departments of Canada and the United States are reserved for the first year and are to be leased thereafter. Parent is one of the stations in the system.

UNEMPLOYMENT INSURANCE AND ASSISTANCE

Question No. 174—**Mr. Allard:**

1. What amounts were paid as unemployment insurance in each of the provinces in 1966?

2. What amounts were paid as unemployment assistance in each of the provinces in 1966?

[Mr. Drury.]

3. As of December 31, 1966, what was the balance in the unemployment insurance fund?

4. Does the government intend to implement the recommendations of the Gill report which was tabled in the house on December 20, 1962?

[*Translation*]

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Unemployment Insurance Commission and the Department of National Health and Welfare as follows:

1. The amounts of unemployment insurance paid in each of the provinces in 1966 are as follows:

Newfoundland	$17,568,320
Prince Edward Island	2,953,187
Nova Scotia	16,375,631
New Brunswick	16,201,369
Quebec	94,493,200
Ontario	82,291,107
Manitoba	11,481,347
Saskatchewan	8,631,205
Alberta	11,770,795
British Columbia	33,535,352

2. The following is a summary of social assistance payments by provinces in the year 1966. These amounts were paid as social assistance with federal sharing under the Unemployment Assistance Act of the Department of National Health and Welfare. Such payments are in respect to persons who were unemployed and in need including the employable, the unemployable and their dependants.

	Federal Share	Total
Nfld.	$ 8,338,884.00	$ 16,677,768.00
P.E.I.	571,321.00	1,142,642.00
N.S.	3,387,242.00	6,774,484.00
N.B.	2,298,077.00	4,596,154.00
Que.	60,594,425.00*	121,188,850.00
Ont.	38,664,812.00	77,329,624.00
Man.	6,906,401.00	13,812,802.00
Sask.	6,913,948.00	13,827,896.00
Alb.	13,178,445.00	26,356,890.00
B.C.	21,681,658.00	43,363,316.00
N.W.T.	71,574.00	143,148.00
Y.T.	85,106.00	170,212.00
	$162,691,893.00	$325,383,786.00

*Includes $26,475,797.00 paid to Quebec through the provisions of the Established Programs (Interim Arrangements) Act.

3. $287,012,486.

4. The policy of the Government will be announced in due course.

[*English*]

FEDERAL DEBT

Question No. 175—**Mr. Allard:**

What was the amount, in dollars, of the federal debt in 1966?

Hon. Mitchell Sharp (Minister of Finance): As at March 31, 1966, the gross public debt was:

	($ million)
Unmatured debt	19,109.8
Other liabilities	8,373.1
Total	$27,482.9

REPRESENTATIONS ON SLOWDOWN OF U.S. INVESTMENT IN CANADA

Question No. 194—**Mr. Ormiston:**

Has the government of Canada made any formal or informal representation or expression to the government of the United States of America since June 23, 1963, regarding the slowdown of U.S. investment in Canada?

Hon. Paul Martin (Secretary of State for External Affairs): In so far as the Department of External Affairs is concerned: There have been frequent discussions on matters relating to the United States balance of payments program including the United States interest eequalization tax and investment guide lines since July 1963 at both official and ministerial level. The Canada-United States balance of payments committee and the Canada-United States ministerial committee for trade and economic affairs, which have met on several occasions since that time, have generally provided the forums for these discussions. There has been no formal representation, as such, from the Canadian to the United States government.

ADVISORY COMMITTEES TO WHEAT BOARD AND P.F.R.A.

Question No. 195—**Mr. Ormiston:**

1. What are the names and addresses of the advisory committee to the Canadian wheat board?

2. What are the names and addresses of the advisory committee to the P.F.R.A.?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Trade and Commerce and Agriculture as follows: 1. Mr. G. L. Harrold, President, Alberta Wheat Pool, 505 2nd street S.W., Calgary, Alberta; Mr. A. M. Runciman, President, United Grain Growers Limited, Hamilton building, Winnipeg 2, Manitoba; Mr. J. I. Stevens, Morinville, Alberta; Mr. C. W. Gibbings, President, Saskatchewan Wheat Pool, Wheat Pool building, Regina, Saskatchewan; Dr. W. J. Parker, President, Manitoba Pool Elevators Limited, Wheat Pool building, Winnipeg 2, Manitoba; Mr. R. R. Atkinson, President, National Farmers Union, 333 Fourth avenue north, Saskatoon, Saskatchewan.

2. Mr. Norman Roebuck, 63 Haultain street, Yorkton, Saskatchewan; Mr. Roy Clark, 117-20th street, Brandon, Manitoba; Mr. Fred Croy, Stonewall, Manitoba; Mr. Harry Shearer, Elm Creek, Manitoba; Mr. Arnold F. Christie, Grand Prairie, Alberta; Mr. Boyd Anderson, Fir Mountain, Saskatchewan; Mr. W. H. Hollier, 1618-100th street, North Battleford, Saskatchewan; Mr. Ed. Wright, Eastend, Saskatchewan; Mr. H. J. Collison, Star city, Saskatchewan.

ORDER OF CANADA MEDALS

Question No. 220—**Mr. Muir (Cape Breton North and Victoria):**

1. Has the order of Canada medal gone into production yet?

2. Where are they to be struck and produced, and what firm or firms will carry out their production?

3. What material will be used in their production?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): I am informed by the Secretary General of the Order of Canada as follows: 1. That an initial order of the Badge of the Order of Canada, the Medal of Courage, and the Medal of Service has gone into production.

2. They are being produced by Garrard's, Crown Jewellers in London, England.

3. The Badge of the Companion of the Order of Canada is being made of enamel and gold, the Medal of Courage in silver gilt, and the Medal of Service in silver.

VOTING PRIVILEGES OF FOREIGN CITIZENS

Question No. 225—**Mr. Stanbury:**

1. Have citizens of any foreign countries the privilege of voting and seeking election in Canadian federal elections after one year's residence here?

2. If so, which countries, and in any of these is this privilege (a) extended to Canadian citizens (b) not extended to Canadian citizens?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Chief Electoral Officer and the Department of External Affairs as follows: 1. British subjects other

than Canadian citizens who have been ordinarily resident in Canada for the 12 months immediately preceding polling day at a federal election have the privilege of voting and seeking election providing they are otherwise qualified.

2. This question is a complex one which will require inquiries from each of the Commonwealth countries as well as British colonies.

The Department of External Affairs will attempt to gather this information. It will be appreciated that obtaining full and complete results will take some time.

PILFERAGE IN EASTERN PORTS

Question No. 234—**Mr. Forrestall:**

During each of the past five years, what has been (a) the dollar value of cargo losses from pilferage at the ports of Montreal, Quebec, Saint John and Halifax (b) the relative value of such losses in terms of total (general) tonnage (c) the number of convictions resulting from investigation of such losses and the dollar value of recovered goods?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: Information not available.

CARGO LOSSES FROM ACCIDENTAL DAMAGE, EASTERN PORTS

Question No. 235—**Mr. Forrestall:**

During each of the past five years, what has been the dollar value of cargo losses brought about by accidental damage at each of the ports of Montreal, Quebec, Saint John and Halifax?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: Information not available.

FINANCIAL ASSISTANCE FOR MARINA IMPROVEMENTS

Question No. 236—**Mr. Fairweather:**

1. What assistance is available for financing improvements to marina facilities in Canada?

2. To whom should requests for aid be directed?

Hon. Judy V. LaMarsh (Secretary of State): In so far as the Department of Finance is concerned: 1. Under the Small Businesses Loans Act, the government may guarantee loans made by chartered banks to small business enterprises for a wide range of business improvement and expansion projects. Operators of marinas are included in the categories of businesses that are eligible to borrow under the act.

[Miss LaMarsh.]

If financing is not otherwise available on reasonable terms and conditions, the Industrial Development Bank can consider creditworthy applications for the improvement of marina facilities in Canada.

2. As loans under the Small Businesses Loans Act are made by the chartered banks, prospective borrowers should apply to their local bank manager.

Applications for financing by the Industrial Development Bank should be directed to the nearest local office of the I.D.B. The regional and branch offices are listed in the annual report of the Industrial Development Bank.

In so far as the Department of Public Works is concerned: The Department of Public Works does not provide assistance for financing improvements to marina facilities. It provides for the development and maintenance of mooring basins and harbours for pleasure craft, principally through the construction of breakwaters, and through dredging.

Projects will be undertaken only where there is a commitment by private, municipal or other local interests to develop shore facilities within the harbours so created.

2. Requests for aid by the Department of Public Works as described in 1 above should be directed to the Department of Public Works.

SELECTION OF DESIGNATED AREAS

Question No. 252—**Mr. Mongrain:**

What are the standards governing the selection of designated areas in Canada?

[*Translation*]

Hon. C. M. Drury (Minister of Industry): The criteria for designating areas of high unemployment, slow growth and low income for purposes of the area development program are: (a) A Canada manpower centre area in which for the most recent five years (i) the unemployment rate is at least 200 per cent of the national average; or (ii) the unemployment rate is at least 150 per cent of the national average and the rate of employment growth is less than two-thirds the national average rate.

(b) A Canada manpower centre area in which for the most recent five years there has been a decline in the level of employment.

(c) (i) A Canada manpower centre area in which the average annual non-farm family income is below $4,250; (ii) A Canada manpower centre area in which 40 per cent or

more of all non-farm families have an average annual income below $3,000;

(d) A county or census division in which the average annual non-farm family income is below $4,250, provided it is contiguous to areas that are designated by the foregoing criteria and which together with these areas form economic regions or districts;

(e) A group of Canada manpower centre areas traditionally recognized as a distinct geographic and economic region which, considered as a whole, meets one or more of the foregoing criteria;

(f) A Canada manpower centre area which was designated under order-in-council P.C. 1965-1394 of 4th August, 1965 and which had an average unemployment ratio in the area, relative to the national average, which was not lower in the most recent 12 months than the average unemployment ratio in the period for which the area originally qualified for designation.

Areas designated in accordance with the foregoing criteria shall exclude the sparsely populated northern parts of the country and the northern boundaries of designated areas shall be drawn along county or census division or subdivision lines which correspond to the boundaries of recognized economic districts.

[*English*]

SEARCH AND RESCUE SERVICE FOR PRIVATE AIRCRAFT

Question No. 255—**Mr. Ballard:**

1. For the years 1963, 1964, 1965 and 1966, what was the cost annually to the Canadian taxpayers for the conduct of search and rescue services for privately owned aircraft?

2. How much of this cost was borne by the provincial governments and the federal government?

3. Are owners of private aircraft required to carry liability insurance?

4. If insurance is carried, does this cover any portion of the cost of search and rescue operations?

5. Is any charge made by the federal or provincial governments to the owners of private aircraft in order to recover the cost of search and rescue operations?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of National Defence and Transport as follows:

1. As order in council P.C. 1962-13/653, dated 2 May 1962, stipulates that no fee will be charged for humanitarian assistance, specifically search and rescue, no record of costs for individual searches are maintained.

2. The entire cost of search and rescue conducted by the Department of National Defence is borne by the federal government.

3. No.

4. As indicated in the answer to part 3 the owners of private aircraft are not required to carry liability insurance and the coverage of any insurance policy taken out by the owner is a matter for his own discretion.

5. No.

P.F.R.A. ADVISORY COMMITTEE

Question No. 258—**Mr. Stefanson:**

1. When was the P.F.R.A. advisory committee established?

2. Who are the present members of this committee?

3. How often did this committee meet during 1966 and 1967, and where did the meetings take place?

4. What meetings, if any, are now planned?

Hon. J. J. Greene (Minister of Agriculture): 1. October 13, 1951.

2. Mr. Norman Roebuck, 63 Haultain street, Yorkton, Saskatchewan; Mr. Roy Clark, 117—20th street, Brandon, Manitoba; Mr. Fred Croy, Stonewall, Manitoba; Mr. Harry Shearer, Elm Creek, Manitoba; Mr. Arnold F. Christie, Grand Prairie, Alberta; Mr. Boyd Anderson, Fir Mountain, Saskatchewan; Mr. W. H. Hollier, 1618—100th street, North Battleford, Saskatchewan; Mr. Ed. Wright, Eastend, Saskatchewan; Mr. H. J. Collison, Star city, Saskatchewan.

3. No meetings were held in 1966-67.

4. No meetings are planned at present.

JUDGES, QUEBEC SUPERIOR COURT

Question No. 264—**Mr. Caouette:**

1. How many judges are there for the Superior Court of Quebec?

2. Does the minister concerned plan to appoint a larger number of judges to the Superior Court of Quebec?

[*Translation*]

Hon. P.-E. Trudeau (Minister of Justice): 1. The chief justice, the associate chief justice and 73 puisne judges.

2. The constitution of the Superior Court, including the number of judicial offices, is the responsibility of the province. If a larger number of judges is required, the Minister of Justice will consider introducing in this house an act to amend the Judges Act to provide

salaries for such additional judges as are required when the relevant provincial legislation is passed.

[*English*]

*BANQUET AT RITZ CARLTON HOTEL, MONTREAL

Question No. 267—**Mr. Rapp:**

1. Was a banquet held by or on behalf of the Department of External Affairs at the Ritz Carlton hotel in Montreal on May 25, 1967?

2. If so (a) what was the purpose of the dinner, and in whose honour was it given (b) how many people attended (c) has the bill been paid and, if not, are arrangements being made to do so?

[*Translation*]

Mr. Gérard Pelletier (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the Secretary of State for External Affairs was host at a dinner at the Ritz Carlton hotel in Montreal. This was held on May 22, 1967 rather than on May 25.

The dinner was given in order to honour the delegates attending the international congress of the Comité France-Amérique then being held in Montreal. The Comité plays an important role in promoting cultural, technical and economic ties between France, North America and South America. Four hundred guests, including three hundred delegates to the congress and their wives, attended the dinner. The remaining guests were the relevant heads of diplomatic missions in Canada. Members of the Senate and the House of Commons from the Montreal area, provincial and municipal representatives, and representatives of the news media. The bill is being processed and will be paid shortly.

[*English*]

*FEDERAL LEASE OF HOTEL SUITES IN MONTREAL

Question No. 268—**Mr. Coates:**

1. Has the federal government leased suites for the prime minister and members of his cabinet in Montreal for the period of Expo '67 and, if so, how many such suites have been leased and what is the rental of each of the suites in question?

2. From whom were the suites rented or leased?

3. What cabinet ministers have used the suites in question and are they available to all members of the cabinet and, if not, what members have the right to use them?

4. How many cabinet ministers have used the suites in question and on what occasions and were they used by these cabinet ministers in a personal capacity or as part of government, and on each occasion what individuals were entertained by the minister in question?

[Mr. Trudeau.]

5. Are these suites available to anyone not a member of the federal cabinet and, if so, what are the names of these persons and on what basis are the suites made available to them?

6. Has entertainment been provided to the cabinet ministers and their guests at these suites and, if so, has the federal government assumed responsibility for this entertainment and what has been the cost of such entertainment to date?

Hon. Robert Winters (Minister of Trade and Commerce): Three apartments have been rented by the Department of Trade and Commerce from the Canadian Corporation for the 1967 World Exhibition at monthly rentals of $645; $575 and $560 respectively.

These apartments are for the use of the Prime Minister, cabinet ministers and senior departmental officials as required. For example, the members of the United States and Canadian delegations to the eleventh joint ministerial meeting were received there last week.

Cabinet ministers who have to date used the apartments are the Prime Minister, Messrs. Benson, Gordon, Greene, MacEachen, Marchand, McIlraith, Robichaud, Sauve, Winters and Hon. Judy LaMarsh.

In respect of part 6, the federal government has assumed no responsibility for entertainment costs.

Mr. Churchill: What about No. 5? I rise on a point of order, Mr. Speaker. It appears to me that the Minister of Trade and Commerce failed to deal with paragraph 5 in the answer he gave.

Mr. Winters: The first part of my answer was intended to deal with questions 1 to 5, and I dealt with section 6 separately.

*REVENUE FROM SPIRITS, BEER AND WINE

Question No. 276—**Mr. Mather:**

What, in dollars, was the federal revenue from spirits, beer and wine in 1966?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): The statistics are not available which would enable us to determine that portion of the general sales tax revenue which is derived from the sale of any particular product or group of products.

Federal revenues collected on domestic spirits, beer and wine in the fiscal year 1966-67, not including sales tax, is as follows: excise duty, spirits matured, $158,157,420.64; beer, $113,254,288.10; excise tax, wine, $4,751,632.92.

*FEDERAL CONTRIBUTIONS TO TEMPERANCE PROMOTION

Question No. 277—**Mr. Mather:**

What, in dollars, was the amount of federal contributions to anti-alcoholism or temperance in 1966?

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): There have been no contributions by the Department of National Health and Welfare to anti-alcoholism or temperance programs. Grants are provided under the national health grants program to provinces to assist alcoholism research units and medical research scientists in studying the causes, treatment and prevention of alcoholism.

DRIVER EDUCATION FILMS ON EDUCATIONAL TELEVISION

Question No. 289—**Mr. Mather:**

Is consideration being given to encouraging the inclusion of driver-education films in ETV programs?

Hon. Judy V. LaMarsh (Secretary of State): The subject matter of ETV programs is within provincial jurisdiction.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CAPITAL INVESTMENT BY CROWN CORPORATIONS

Question No. 4—**Mr. Caouette:**

When making capital investments, do the crown corporations known as "Proprietary Corporations" take into account any non-economic factors, for example, promotion of regional development and industrial decentralization?

Return tabled.

RECRUITMENT OF BILINGUAL EMPLOYEES BY CROWN CORPORATIONS

Question No. 6—**Mr. Caouette:**

1. Do the crown corporations known as "Proprietary Corporations", as defined in the Financial Administration Act, promote the recruitment of bilingual employees?

2. If so, what is the exact nature of this policy for preferential recruitment of bilingual employees?

Return tabled.

OIL AND NATURAL GAS PRODUCTION

Question No. 128—**Mr. Isabelle:**

1. What was the total production of crude oil and natural gas in Canada, in dollars, during 1965 and 1966?

2. What percentage of all such products was exported and to what countries?

3. How many barrels of oil were produced in Canada in 1965 and 1966?

4. What was the ratio between domestic consumption and export and to what countries did we export our oil?

5. To the government's knowledge, are some provinces providing subsidies for oil drilling and, if so (a) what provinces (b) what is the amount of the subsidies?

Return tabled.

Mr. Lewis: I thought I heard the parliamentary secretary suggest that Your Honour should call either question 67 or 68, or both.

Mr. Speaker: I believe both questions 267 and 268 were called.

Mr. Lewis: I am talking about 67 or 68. I believe you did call one of them, Mr. Speaker.

Mr. Speaker: Starred question 67?

Mr. Béchard: I have already answered starred question 67, but No. 68 was not answered.

Mr. Speaker: Starred question 68? Question stands.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I raised this question the other day, and I find it difficult to understand why six weeks should elapse before we receive an answer to question No. 81. I know the Secretary of State for External Affairs is very busy, but six weeks is a long time to wait in respect of a very simple question to which the answer should be equally simple.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the question my right hon. friend has asked involved a considerable amount of research by the Department of National Defence, and this is now almost complete. I am sure my right hon. friend will recall that he had to deal with many aspects of this question when he was prime minister because some of the improprieties, which have nothing to do with espionage or anything like that, occurred during the period when his government was in office. However, it will be clear from the reply, which I hope will be tabled soon or not later than early next week, that no Canadians connected with the international commissions in Indochina have ever been removed from North Viet Nam for alleged clandestine activities.

However, Mr. Speaker, question 81, very ingeniously framed by my right hon. friend, refers to what are called—and I use quotation marks—"other improprieties", which is a vague formulation which can include a whole range of disciplinary problems. The question thereby made necessary very extensive research in the Department of National Defence. The reply is just about ready. I saw it today, and knowing my right hon. friend's precise interest in this kind of situation and his carefulness, I decided to emulate his technique and make sure that the reply fully complied with the interrogations so ingeniously put.

Mr. Diefenbaker: Mr. Speaker, the reply given by the hon. gentleman indicates an ingenious intricacy of mind to find some reason for the delay, and he is now trying to obscure the facts by verbiage.

Mr. Martin (Essex East): Mr. Speaker, it would of course be wrong for the right hon. gentleman to be allowed to say I am obscuring the facts; that would be contrary to the rules. I will give my right hon. friend an answer that is exact in every respect, but one which will not warrant the suggestions that have been made about the loyal service of members of the Department of External Affairs and those who serve on the international commissions.

Mr. Diefenbaker: Mr. Speaker, on a question of privilege, the minister pointed out that some of these improprieties took place while I was prime minister. I knew that when the question was asked, but the minister is now trying to conceal facts.

Mr. Martin (Essex East): Mr. Speaker, it is contrary to the rules of the house for the right hon. gentleman to make such an assertion.

Mr. Speaker: Order, please. The Leader of the Opposition and the Secretary of State for External Affairs have both taken part in a debate, I am not sure whether on a question of privilege or a point of order. I suggest that we might go on to another matter.

Mr. Martin (Essex East): Mr. Speaker, with great respect, any member who suggests that another is trying to conceal the facts is making a statement which is contrary to the rules. I am sure the right hon. gentleman does not mean that suggestion to stand. It has not been my habit since I have been a member of this house to conceal anything.

Some hon. Members: Oh, oh.

[Mr. Martin (Essex East).]

Mr. Speaker: Shall the remaining questions stand? Agreed.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notice of motion for the production of papers No. 15 is acceptable to the government.

Would Your Honour kindly call notice of motion No. 8?

I ask, Mr. Speaker, that the other notice of motion be allowed to stand.

[*English*]

DAMASCUS STEEL PRODUCTS LTD., WINNIPEG

Motion No. 8—**Mr. Schreyer:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all documents and correspondence between the federal government or any of its agencies and the government of Manitoba and any of its agencies, relative to Damascus Steel Products Ltd., Winnipeg, Manitoba.

Hon. John N. Turner (Registrar General): Mr. Speaker, I understand that the hon. member is willing to clarify his motion by referring just to documents dated subsequent to January 1, 1965. Subject to that, to the usual reservation about privileged and confidential documents, and to the usual courtesy of obtaining the consent of the government of Manitoba, we would be willing to accept the motion.

Mr. Speaker: Subject to the reservations and conditions expressed by the minister, is it the pleasure of the house that motion No. 8 be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

CORRESPONDENCE WITH LIEUT. COL. DE SALABERRY

Motion No. 15—**Mr. Nugent:**

That an order of the house do issue for a copy of a letter dated June 20, 1967, to the Prime Minister from Lieutenant Colonel J. J. P. de Salaberry, rtd., 4850 de Courtrai, apartment # 11, Montreal, P.Q., and the reply thereto.

Motion agreed to.

Mr. Matheson: Mr. Speaker, might we revert to question No. 68?

Mr. Speaker: Is it the wish of the house to revert to the previous item of business, questions?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous agreement of the house to revert to the previous item of business.

UNITED NATIONS

MIDDLE EAST—CANADIAN POSITION RESPECTING JERUSALEM

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Prime Minister whether the Canadian government is in agreement with the views expressed by the President of the United States concerning the quick annexation of the old city of Jerusalem. Would the Prime Minister say what is the attitude of Canada on this question, and does he believe that consultation with religious leaders will be sufficient to meet the situation and permit Israel to have the entire city of Jerusalem?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it is not my intention to obscure anything but I do not think I can comment on a statement reported to have been made by the President of the United States in respect of this policy, especially as I have not studied that statement. As far as Canadian policy is concerned, I have already indicated in the house that we think there should be international supervision of the holy places in Jerusalem.

Mr. Diefenbaker: Mr. Speaker, I am not asking about international supervision. What is the attitude of the Canadian government to annexation or the taking over or absorption of old Jerusalem by the Israelis?

Mr. Pearson: Mr. Speaker, this is an aspect of the whole question which is now under consideration by governments and at the United Nations assembly which already has before it resolutions dealing, among other things, with this particular matter.

MIDDLE EAST—INQUIRY AS TO DISCUSSIONS LEADING TO SETTLEMENT

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I was going to address this question to the Secretary of State for External Affairs but I am sure that the Prime Minister can deal with it. Recent reports indicate that the present debate on the Middle East crisis in the United Nations is nearing an end and that the assembly is in the same impasse in which it began its debate. I wonder whether the right hon. gentleman can inform the house what, if any, continuing diplomatic discussions are taking place in search of an appropriate resolution to promote peace negotiations as well as a just settlement of the refugee problem and the entire question of the withdrawal of forces.

Right Hon. L. B. Pearson (Prime Minister): Very active discussions are going on at the moment, Mr. Speaker, with a view to finding agreement on a resolution which is likely to receive the support of two-thirds of the members of the assembly, a resolution which will deal not only with a particular aspect of this situation but with related aspects including withdrawal, the question of belligerence and also political settlement.

Mr. Lewis: A supplementary question, Mr. Speaker. May I ask the right hon. gentleman whether the Canadian representative is taking an active part in these discussions, as I surmise he is, and whether these discussions are taking place among only one group of representatives or several discussions going on simultaneously?

Mr. Pearson: Mr. Speaker, there are discussions going on, I believe, in more than one group. I am familiar with the discussions taking place in one group in which our own ambassador is playing a very active part. I believe discussions on this matter are also going on in what is called the non-committed group. There is contact, I think, between the two.

DIVORCE

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): I wish to direct a question to the Prime Minister, Mr. Speaker. To correct the impression caused by reports that divorce reform legislation is now before the house, will the Prime Minister say when he expects legislation on this subject to be introduced?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, careful study, of course, will have to be given to the committee report which has now been made public. After that study is completed the government will be in a position to introduce legislation at the resumed session in the autumn.

Mr. Eldon M. Woolliams (Bow River): A supplementary question, Mr. Speaker. Is it the government's intention to have a free vote

on the subject or will it be treated as a government measure?

Mr. Pearson: Mr. Speaker, I should like to take notice of that question. I know that this subject is of direct and immediate concern to every member's individual conscience. I think this would have to be taken into consideration in any procedure in parliament.

Mr. Speaker: The hon. member for Charlevoix.

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, the minister has answered my question.

[*English*]

CANADIAN CONSTITUTION

REQUEST FOR CLARIFICATION OF STATEMENT BY JUSTICE MINISTER

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question to the Minister of Justice is based on the position the minister took on constitutional reform outside the house within the last couple of days. Does this statement of government policy indicate that the government is satisfied that the present British North America Act, as it is now drafted, is flexible enough for current needs and aspirations? I ask this question because I think it is tremendously important that the matter be clarified. The minister mentioned three points; that there would be no government white paper on constitutional reform; that no member or supporter of the government would meet with the estates general; and that there would be no attempt to examine the B.N.A. Act with the provinces in a spirit of co-operative federalism. I think it is important that this question be answered in the house and for the minister to make a statement.

Mr. Speaker: Order, please. If the hon. member is suggesting that a statement be made to the house, I suggest that this type of general statement cannot be made during the question period.

Hon. P.-E. Trudeau (Minister of Justice): On a question of privilege, I wish to correct an impression which the hon. member has erroneously entertained.

Mr. Speaker: Order, please. The minister is rising on a question of privilege.

Mr. Trudeau: I am rising on a question of privilege to correct an erroneous impression. The statements I am alleged to have made outside the house were not made outside the house but before a committee of the house; they were also made in an answer on the late show.

[Mr. Woolliams.]

Mr. Starr: One of those instances was outside the house.

Mr. Eldon M. Woolliams (Bow River): A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The question was not accepted and therefore the hon. member may not ask a supplementary question.

Mr. Woolliams: I will ask a separate question of the Minister of Justice. How does the Minister of Justice reconcile his position on this subject with the Prime Minister's statement of yesterday?

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

FAMILY ALLOWANCES

INQUIRY AS TO APPLICATION OF MEANS TEST

On the orders of the day:

Mr. E. F. Whelan (Essex South): Mr. Speaker, I have a question for the Prime Minister or the Minister of National Health and Welfare. In view of a speech made in Jasper by the premier of Manitoba, has the federal government yet received a formal request from the province of Manitoba that a means test be applied to the federal family allowance program?

Hon. A. J. MacEachen (Minister of National Health and Welfare): No, Mr. Speaker, we have received no representation for this kind of test with respect to family allowances.

Mr. Diefenbaker: They brought it in for old age pensions.

AGRICULTURE

INQUIRY AS TO WARNING RESPECTING RABIES

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I direct my question to the Minister of Agriculture. In view of the continuance of rabies infection across Canada, has the government considered issuing warnings to those travelling with children, or to those at their summer places?

Hon. J. J. Greene (Minister of Agriculture): No, Mr. Speaker.

[*Translation*]

TRADE

TEXTILES—REQUEST FOR LIMITATION OF IMPORTS FROM JAPAN

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I have a question for the Minister of Finance and Receiver General.

Has the minister received the report of the investigation carried out by the Canadian Textile Institute, and is the government about to protest to Japan and to insist on the application of section 22 of GATT in order to limit textile imports?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, we have had that question under consideration and talks are now underway with the Japanese government to find a solution.

[*English*]

TRANSPORT

INCREASE IN FERRY RATES, NEW BRUNSWICK-PRINCE EDWARD ISLAND

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is for the Minister of Transport. Yesterday afternoon the Prime Minister assured the house that the Minister of Transport would have further and important words on the possible increase in car ferry rates to Prince Edward Island.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the Prime Minister spoke to me about the question which had been asked by the hon. gentleman and which I heard in the house. We had some little discussion about it. It does not appear to the government, considering that this is a very modest increase and considering that all persons using this service regularly for business purposes will be exempt therefrom, that there would be any real reason for making any change.

Mr. MacDonald (Prince): A supplementary question, Mr. Speaker. Could the Prime Minister inform the house whether he has received a formal protest against this action from the government of Prince Edward Island?

Right Hon. L. B. Pearson (Prime Minister): Not unless it has come in within the last two or three hours.

Inquiries of the Ministry

REQUEST FOR DISCUSSION OF FERRY SERVICE BETWEEN SAINT JOHN, N.B. AND DIGBY, N.S.

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): A supplementary question, Mr. Speaker. I wish to inquire about the Digby-Saint John ferry in regard to which a meeting was held this morning. Can the minister say whether he gave any commitment when this ferry service may be ready, or is it simply a case of more promises?

Hon. J. W. Pickersgill (Minister of Transport): Of course, sir, I am not accustomed to making promises, and no promises were made. I saw the very distinguished delegation which came from Saint John and the Annapolis valley. The matter depended largely on a further meeting, which took place only yesterday, between the government and the Canadian Pacific, and I said that we were very much encouraged about the prospects of improving this service.

NORTHERN AFFAIRS

CHURCHILL, MAN.—THREATENED CLOSING OF VOCATIONAL SCHOOL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development. Has he received a complaint from the Churchill chamber of commerce about the threatened closing of the vocational school? Has he received a telegram pointing out the detrimental effect on Churchill and that it would cost $20 million, according to the estimate of those in that area, to remove that school and establish it elsewhere? If he has received that complaint, will he reconsider the matter? Removing the vocational school will certainly be a serious blow to Churchill.

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, replying to the right hon. gentleman may I say that so far a copy of that telegram has not come before me. I would prefer to leave the answer to this question until tomorrow when I might be able to make some comment.

Inquiries of the Ministry

[*Translation*]

FINANCE

DEPOSIT INSURANCE—CONSULTATION PRIOR TO QUEBEC LEGISLATION

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to put a question to the Minister of Finance and Receiver General.

In view of the introduction of a bill in the Quebec legislature yesterday with regard to deposit insurance, can the minister tell us whether that piece of legislation has been introduced after full consultation with the Canadian government and whether the latter is in agreement with the Quebec bill?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, we have discussed this bill with the Quebec government and this answer is too complicated to be given in French.

[*English*]

I should like to add, to make more lucid my response in French, that the officials of the two governments discussed the matter at length. I have exchanged correspondence with the prime minister of Quebec and I believe that we have found a way of co-ordinating activities in Quebec and under the federal bill that will avoid conflict and duplication.

Mr. David Lewis (York South): A supplementary question, Mr. Speaker. The Minister of Finance referred to some exchange of correspondence. Would he agree to table that correspondence after, of course, obtaining the consent of the prime minister of Quebec?

Mr. Sharp: Yes, I will be glad to do so. I do not think there will be any difficulty about tabling this correspondence.

[*Translation*]

POST OFFICE DEPARTMENT

INQUIRY AS TO HOLIDAY FOR EMPLOYEES ON JULY 3

On the orders of the day:

Mr. J. P. Goyer (Dollard): Mr. Speaker, I wish to put a question to the Minister of National Revenue.

Will post office employees have the day off on July 3 next?

[*English*]

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, in answer to a previous question I indicated it was the intention of the government that employees should have Saturday and Monday as a holiday. Under the civil service regulations, those who do not work on Saturday would normally automatically have Monday off. It is not the intention that people shall have more time off than the Saturday and the Monday; we want them to have a long week end. However, employees who must work on Saturday or on Monday because of the nature of their employment in the government service will be entitled to either time and a half for time worked, as is normal on holidays, or to an equivalent amount of time off.

[*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 Minister of Justice.

In view of the refusal of the Minister of Justice, on behalf of the Liberal caucus, to take part in the estates general of Quebec and French Canada, can the minister tell us whether the government will also refuse to provide the necessary documentation and statistics required by the estates general to prepare a worthwhile document on the situation?

Mr. Speaker: The question could be put on the order paper.

Mr. Grégoire: May I ask the Minister of Justice whether he would be ready to discuss this matter at ten o'clock?

[*English*]

DOMINION-PROVINCIAL CONFERENCE

REQUEST FOR TABLING OF INVITATIONS AND CORRESPONDENCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Prime Minister whether he will table tomorrow the invitations to the provinces for the July 5 meeting. The Prime Minister stated that this gathering will provide an opportunity to raise constitutional matters and be a substitute for a federal-provincial conference on confederation. He was asked to table the correspondence on two occasions, as I recall, and he said he would. I know it is an oversight. Would he table that correspondence now?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am sorry if I have neglected to do something I promised to do. I will look into it right away.

TRADE

PROVISION TO MEMBERS OF DETAILS OF GENEVA AGREEMENTS

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce pertaining to the announcement he made this afternoon in connection with tariff changes under the Kennedy round. He announced he would be giving us the information tomorrow evening and that the press would simultaneously be given a report. Will the printed report and list of the industries affected and tariff rates be supplied by the Department of Trade and Commerce for the immediate use of hon. members tomorrow night?

Hon. Robert Winters (Minister of Trade and Commerce): Yes, a list of tariff items and the changes will be tabled with the material.

AGRICULTURE

FREIGHT ASSISTANCE TO FEED GRAIN TO EASTERN PROVINCES

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development. Has the government authorized further increases in freight assistance on western feed grains moving into the eastern provinces, and is the government now giving active consideration to providing freight assistance in connection with Ontario feed grains reaching the same markets?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, the answer to the first question is yes, for certain destinations in Nova Scotia. As to the second part of the question, this matter is under consideration by the feed board administration.

UNIDENTIFIED FLYING OBJECTS

INQUIRY AS TO REPORTED SIGHTINGS IN MANITOBA

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is directed to the Minister of Transport; perhaps he would like to take it as notice. Has he received any formal report containing the rather strange information that approximately 20 sightings have been made in a period of six weeks or less of unidentified flying objects in a relatively limited area of eastern Manitoba, including sightings by R.C.M.P. constables? Can the minister say whether the special investigation branch of the United States air force has been invited to come to Canada to make an investigation?

Mr. Speaker: Order. I believe this question should be placed on the order paper.

SHIPPING

INQUIRY INTO SINKING OF TUG IN LAKE WINNIPEG

On the orders of the day:

Mr. Eric Stefanson (Selkirk): Mr. Speaker, I have a question for the Minister of Transport. Is the Department of Transport carrying out an inquiry or investigation into the tragic sinking in lake Winnipeg of the tugboat *Teddy* in which the captain lost his life?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, generally speaking investigations are conducted into all these tragic accidents. I have no information about this particular case, and I will have to inquire.

[*Translation*]

UNEMPLOYMENT INSURANCE

INQUIRY AS TO PAYMENT TO CANADIAN WORKERS IN MAINE

On the orders of the day:

Mr. J.-P. Racine (Beauce): Mr. Speaker, I would like to direct a question to the Minister of Labour.

Having heard that the Minister of Labour once again contacted the Maine authorities recently about unemployment insurance, can the minister tell the house whether any progress is being made in the negotiations to have those Canadians working in the state of Maine get unemployment insurance benefits?

Mr. Speaker: It seems to me that the hon. member's question and the statement he is asking the minister to make are of a rather general nature and should be made normally on motions.

[*Later:*]

Mr. Racine: Mr. Speaker, I would like to rephrase my question in the hope that, this time, it will be in order, and ask the Minister of Labour if he has recently met with high officials of the state of Maine to discuss unemployment insurance for Canadian workers employed in the United States?

Inquiries of the Ministry

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, if my memory serves me right, I told the house some weeks ago that I had had a meeting with the governor of the state of Maine, and that we had discussed this problem which has been one of serious concern for some years. As a result of our meeting, a task force has been set up, and it met on June 20. It has established certain ground rules for a study in which it wishes to obtain additional information. It is now engaged in that study and the governor and I are awaiting the results of the study.

DOMINION-PROVINCIAL RELATIONS

DETERMINATION OF JURISDICTION RESPECTING OFF-SHORE DRILLING

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I direct this question to the Minister of Justice. In view of the fact that preparations for drilling for oil on the continental shelf off Vancouver island are now well advanced, can the hon. gentleman tell the house where the question of constitutional jurisdiction in respect of these resources stands at the present time?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, the case is now before the Supreme Court, and I have received no communication from the court as to when a decision will be made.

NATIONAL PARKS

ONTARIO—INQUIRY AS TO ESTABLISHMENT OF SECOND PARK

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I direct this question to the Minister of Indian Affairs and Northern Development. Has the government any plans for the establishment of a new national park in the province of Ontario?

Mr. Speaker: Order. I doubt that this question is one of immediate urgency. I think it ought to be placed on the order paper.

[*Translation*]

CANADIAN CENTENNIAL

ISSUE OF MEDALLIONS TO SCHOOL CHILDREN

On the orders of the day:

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, I have a question for the Secretary of State of Canada.

[Mr. Racine.]

In a folder recently distributed to Canadian school children, outlining Canadian history and listing some Canadian achievements, the centennial medal is also mentioned; the folder suggests that this medal be carefully kept and states that all Canadian school children will receive a medal, whether they live in Canada or abroad.

Consequently, I should like to ask the minister to tell the house what measures the Secretary of State Department or the centennial commission intend to take so that all Quebec school children will receive that medal in the next few days, that is before July 1st, in view of the fact that those school children are now on holidays and the medals have not been distributed in a large part of the province of Quebec?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I shall look into the matter right away.

[*English*]

EXTERNAL AFFAIRS

MIDDLE EAST—REPORTED EXPATRIATION OF ARAB NATIONALS

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, in the absence of the Secretary of State for External Affairs, may I ask the Prime Minister whether he is aware of any effort being made under international auspices to investigate allegations that Israel is expatriating Arab nationals from areas recently conquered? I asked the Secretary of State for External Affairs about this before and he said he would take the question as notice, but that was some time ago.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I know there have been inquiries made into various allegations by the International Red Cross, but I do not know of any official investigation being carried out. No doubt inquiries are being made by the Department of External Affairs to find out whether these allegations are being investigated officially by the United Nations or anyone else. I will check on what is being done.

HOUSE OF COMMONS

POSSIBLE EARLY ADJOURNMENT JUNE 29 TO MEET THE QUEEN

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, since all hon. members have been invited to be present on Thursday afternoon

at Uplands airport when the Queen of Canada is due to arrive; and since I believe most hon. members, with the possible exception of the hon. member for Lapointe, have signified their intention to attend, I wonder whether steps have been taken to adjourn the house early on Thursday afternoon?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not know of any special steps which may have been taken but I shall be glad to make inquiries.

NATIONAL ANTHEM

SUGGESTED PROCLAMATION BY HER MAJESTY OF "O CANADA"

On the orders of the day:

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have a question for the Prime Minister. Is it the intention of the government to advise the Queen of Canada to proclaim "O Canada" as our national anthem in time for July 1?

MR. JUSTICE LANDREVILLE

REQUEST FOR STATEMENT ON POSSIBLE PAYMENT OF PENSION

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I would like to direct a question to the Minister of Justice. Did he or his department make any deal with Mr. Justice Landreville that if he resigned instead of the matter of his continuing to hold his post being placed before the two houses of parliament, he would get his whole pension or any part thereof?

Mr. Speaker: Order. It seems to me the question asked by the hon. member is a repetition of one that was asked previously.

Mr. Woolliams: As I understand the answer given at that time, Mr. Speaker, the Minister of Justice said he would give further information in reference to the matter and I am merely following that up because it is an important question.

Hon. P.-E. Trudeau (Minister of Justice): With respect to the question by the hon. member, Mr. Speaker, I did not say I would disclose or say anything further. The answer to the question was no, and it is still no.

Mr. Woolliams: Then do I take it from the Minister of Justice that no pension will be paid to Mr. Justice Landreville?

Mr. Trudeau: Mr. Speaker, the logic of the hon. member is fallacious. I would, on the other hand, be interested in knowing from him reasons why no pension should be paid in any case like this.

Mr. Woolliams: Mr. Speaker, the minister used the word logic. I would say that is the most illogical answer I have heard.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

1. Departmental administration including recoverable expenditures on behalf of the Canada Pension Plan and $500,000 for health grants and welfare grants, under terms and conditions approved by the Treasury Board, for research and demonstration activities in the field of mental retardation, $4,127,000.

The Chairman: Order. House again in committee of supply, estimates of the Department of National Health and Welfare for the fiscal year ending March 31, 1968. Vote No. 1 will be found on page 338 of the blue book and the details on page 341. Shall vote No. 1 carry?

Mr. Johnston: Mr. Chairman, the other day I listened to the minister's statement in introducing his estimates. Like so many of his statements it was full of assurance, reassurance and statistics. From it we could assume that the nation was in an excellent state so far as health and welfare are concerned. But one recalls previous statements made by the Minister of National Health and Welfare, also full of hope but not matched by performance after they were made. I am afraid that when we examine these estimates we see several areas where concern must be expressed about the performance in implementing previous announcements by the minister.

I mention in particular the old age security supplement, of which the minister spoke with considerable pride, as well he might, because it was his idea to establish a guaranteed annual income supplement and at the time it was a major change of policy. But as one examines how the income supplement is being administered across the country it becomes more and more clear it was the government's intention to have the Canada Assistance Plan take care of the increase in old age security pension payments. However, when it became obvious that this intention was impossible to carry out, and indeed was

extremely unwise, politically, the guaranteed annual income supplement was introduced.

In the minister's statement we were given the statistics respecting some 700,000 old age security pensioners who were receiving payments and some 430,000 who were receiving payment in full. It would be interesting to know how many in all applied for the guaranteed annual income supplement, how many were refused, and how many of those who had been receiving some supplement in the form of a veterans allowance payment were rejected. This kind of detail would be very meaningful in examining the success of the guaranteed annual income plan. I am afraid that for many pensionable Canadians it was not much of a guarantee. There was a real contradiction between what they were told in the green instruction booklet sent to them and what happened when they applied for the supplement. Further, there was a real difference between what we were told in this chamber during debate on the supplement and what subsequently happened in relation to the veterans allowance supplement and to provincial supplements being paid by some of the provinces.

We had a pretty solemn assurance from the minister last December on how the supplement plan was to be implemented. He used words like these, Mr. Chairman, and I quote from *Hansard* of December 8, 1966, page 10896:

> They will not suffer any indignity, if this can be called an indignity, and I do not think it is. They will not be asked to do anything that a corporation president is not asked to do, or any other person in the country, in the way of providing information with respect to income or having the accuracy of that return checked.

Further, as recorded on page 10898 he said:

> We are doing this without the application of the much dreaded and odious means test. There is no possible comparison between the simple declaration which must be filled out merely asking applicants to list items of income under the Income Tax Act, and a means test. If the program embodied a means test in the way in which it has been administered in the provinces I would not be recommending it to the House of Commons. This is not a means test. It merely asks the old age pensioners to fill out a simple form listing the items of income which they would normally list if they were filling an income tax return. I see no indignity or loss of self-respect in the process.

At the time, Mr. Chairman, I did not see any indignity or loss of self-respect in the process but now I do see a great deal of indignity resulting from the actions of the Department of National Health and Welfare in conjunction with the Department of Veterans Affairs. People who have applied for the guaranteed income supplement have discovered that the veterans affairs means test is applied rigidly and that the veterans allowance they are being paid is taken out of the guaranteed annual supplement. Putting it the other way around, the supplement is not a guaranteed annual one and their veterans allowance is cut. Either way you look at it, this is what happens.

[Mr. Johnston.]

• (4:10 p.m.)

The old age security pensioners were told not to list that item. If they go ahead and list it they end up with monthly payments which are less than they were before. When this is taken into account they suddenly find they do not receive the monthly amount they were receiving before. I realize that the hon. member for Winnipeg North Centre has come around to seeing some good lately in a guaranteed annual income and I trust that he and the minister are looking into this concept jointly for the future. This may mean the easier passage through the house of future proposals along the line of a guaranteed annual income.

Mr. Rynard: The new cohesion.

Mr. Johnston: I think it will take a bit of persuasion to soften the minister in this regard. The assumption is made over and over again in both the veterans allowances branch and the Department of National Health and Welfare that somehow the sums that are going out to the old age security pensioners are so magnificent that these people are able to save some of it. This seems to be the underlying assumption.

I can assure the minister that there is no saving possible for those who are on the minimum, whether it be the old $75 a month minimum, the now $105 a month minimum or the minimum that was in existence with the provincial supplement. There is no saving; there is only a falling behind as they go along from month to month. If a lump payment arrives at any time, it cannot be regarded as the regular monthly payment to be carefully husbanded over the next nine months of the fiscal year. It can only be used immediately to help the old age security pensioner catch up in some of the areas in which he has fallen behind. He will have to spend this money all at once. Therefore it is quite possible that such a person will suffer considerably if he finds, during the next nine months when the word comes to him from the Department of Veterans Affairs, that the allowance has been eliminated or has been reduced sharply. In

this case he will not even have what he had before. This has happened. I trust there has been sufficient co-operation between the two departments in respect of cases like the one I have just mentioned so that at least the monthly payment will be what it was before, because it seems to me this is the very least that should be done.

In respect of the provincial schemes, members of this house were confused because of the assurances which were given us that the guaranteed annual income supplement would not affect those schemes. I am sure all members of the house who voted unanimously for the Canada Assistance Plan assumed that that plan stood in its own right in conjunction with the payments which were being made to the provinces. There seemed to be a bit of federal munificence at the time in that the federal government was taking over half the payments which were being made as pension supplements. It appeared that these would stand because that bill was passed previously, but the provinces have been learning, as we have learned, that this is not the case. The hon. member for Winnipeg North Centre referred to this the last day these estimates were before us. I will not labour that point at this time.

Surely the minister must understand that the provinces which were paying supplements were paying them because they were necessary. The increase in the old age security pension was delayed for years before it was finally passed and in the meantime the cost of living had risen. There are some provinces in Canada where the cost of living is higher than in other provinces. This is one of the facts which arise because of the geography of our nation. The western provinces are among those provinces which have the very highest living costs. So the need for the provincial supplement did not disappear when the federal government raised the figure to $105.

In that connection there is another important aspect. The guaranteed annual income supplement came about as a result of the report of the Senate committee on aging which studied the problem very thoroughly over a long period of time. In its second recommendation the committee suggested figures which led directly to the $105 a month. It should be remembered, however, that that was the second recommendation. The first recommendation was that a complete study should be made directed solely to the question of the amount and that it should be made immediately. It was recommended that once this study had been made and the amount established there should be increases every five years and then another specific review to determine whether the increases were adequate and whether the amount which had been set was at all adequate in the new period. This was the first recommendation and it seems to have been totally forgotten by the Department of National Health and Welfare, the minister and the government in their administration of this plan.

The $105 a month seems to have become absolutely sacrosanct. It appears that if the provincial supplement interferes in any way with the $105, then the federal share must be reduced and the co-operation between the provincial and federal governments must be terminated so that somehow the figure will settle back to $105. It also appears that if the allowances which are paid under the War Veterans' Allowance Act interfere with the payment of the $105, then they must be reduced.

I urge the minister to co-operate and negotiate with the Department of Veterans Affairs and the provinces which had been paying the extra supplements, because the $105 is not sacred. I should also like to have the assurance from the minister that the study recommended by the Senate committee will be made and that the $105 figure will be regarded as only temporary, a figure in which the Senate committee had no great faith. This figure was established by the Senate committee as something that would do until the work had been done by the federal department. I should like the minister to tell us on what date this review will be made. I am sure the old age security pensioners across the country would welcome the news that this review will be carried out.

If this review is not carried out and if the idea in respect of the guaranteed annual income supplement as set out by the Senate committee on aging is not followed, then I am afraid that the whole question of pensions for the aged once more will go back into the political pot and we will be faced again with the old problem of everyone vying for the attention of these people and promising them something which should be set out on a more logical basis than the imminence of the next election.

• (4:20 p.m.)

Another subject with which I think we should be seriously concerned is hospital construction grants because here again there is a great difference between enunciated policies and the amounts in the estimates. If we look

at the estimates for this year we find that the figures have not really changed in respect of hospital construction grants. Page 352 of the estimates indicates that the total hospital construction grant for 1967-68, in relation to actual expenditure, is $20 million. In 1966-67 the amount was $20 million, and if one reads the fine print on page 351 one will see that the grant consists of $20,367,320, being the annual allocation and a revote of $9,339,281 for unclaimed allocations since April 1, 1953. I suspect the reason for these unclaimed allocations is that it has been a long time since the grants for hospital construction were revised, and that there are many areas across this country which hoped they could go ahead with hospital construction but could not find the finances at the time, although might have found the finances had the federal grants been revised and brought up to date to a realistic figure.

I have found, as I am sure many other hon. members have, that it is utterly amazing that in the fiscal year 1967-68 the figures in respect of grants are the same as for recent years in spite of the promises we have received from the minister that we are to have medicare in 1968. We know now that hospitals, as well as other medical facilities in the country, are strained beyond the point of endurance. We know also that there are many hospitals throughout the country which cannot adequately take care of the patients now coming to them. Yet once the full medicare program is instituted we expect greater utilization of hospital space, some of which will be necessary and some of which will not. There undoubtedly will be an assurance that this is being paid for from the general revenue, and this will have a bearing on the length of time usage of hospital space. In my opinion there must be a revision of this federal grant very soon. No matter how soon it is made, it will be too late.

The federal government contributed $419,543 toward the construction and renovation of the new Jubilee unit of the hospital in the city of Vernon in my constituency. I welcomed that contribution as did my constituents and I realize that the minister took a great deal of care to make certain that the announcement of this contribution to the constituency was directed in such a way as to provide the maximum amount of political advantage for the Liberal government and the Liberal party.

Mr. Byrne: Did we get ahead of Bennett for once?

[Mr. Johnston.]

Mr. Johnston: The announcement was made in such a way as to gain the maximum political advantage, and this was done carefully and deliberately. Let me suggest seriously to the minister that if he really would like to obtain the greatest amount of political advantage from hospital grants he should reexamine the structure of the grants and revise them in accordance with the increase in the cost of hospital construction. This increase in the cost can be laid at the feet of this same government which chose to impose an exhorbitant and inflationary tax on construction materials, thereby showing absolutely no restraint in taxing construction. This has caused a greater spiralling of construction costs, including the construction of hospitals, than anything else.

An examination of these grants should have been made long ago. With the implementation of full medicare and the resulting demands that will be made on the hospitals of this country, it is scandalous that no changes have been made in the schedule of these grants. When the people read the statements of the minister regarding his promises for medicare they will be lulled into the false assurance that their medical needs will be taken care of after 1968. However, when they go or attempt to be admitted to hospital after 1968 they will learn that space is simply not available. Whether or not doctors will be available is doubtful, but the space will not be available and medicare will be meaningless for them because the groundwork has not been laid. They will be victims of the same illusion that some of the old age security pensioners laboured under when they accepted the promises that some of their problems would be alleviated by this government but later learned to their sorrow that promises and the implementation of them are not always the same.

Finally I should like to refer to what is perhaps a minor part of the spending of the department, that on grants for fitness and amateur sport. We in this country are proud of our contribution to amateur sport and our efforts in a great many fields, some of which we consider particularly Canadian. We have been particularly proud of our efforts in the field of hockey and extremely proud of our recent ski teams. However, compared to what happens in many nations of the world, our approach to these things on the governmental level cannot even be considered amateurish, but only rather infantile.

In this respect, although we had a sharp increase from 1964 to 1967 in the estimates

there has been no increase this year. We know there are any number of governments in the world which set out deliberately as national policy to have the finest teams of athletes to take part in various competitions in the world that they can possibly send. This is done as government policy. We in Canada apparently feel that the system we used 30 or 40 years ago can still work. We send our teams and, with rare exception, we are disappointed with the results. Our hopes are raised in respect of world championships, but we invariably lament the fact that we no longer can maintain our standard.

• (4:30 p.m.)

We should remember that this grant of $5 million must be sliced many ways. It could well be increased because this is an area very worthy of support. No amateur can get to the top in world competition without a tremendous sacrifice in time, effort and money. We are not asking here for an out and out subsidy but for a grant which would be large enough to allow the fitness council to do some of the things they would like to do and should be able to do.

For example, let us consider a sport that is of importance to my constituents, namely skiing. They would like to know in advance what grants could be allocated to meet the many demands over a period of three years, because it is very difficult to get the team together and to keep it together when the committee organizing the meet applies for the grant and does not know until very late in the game whether or not it will receive it. I believe that grants should be allocated on a more definite basis so that plans for the future can be made more adequately. It is more and more difficult to find people willing to risk the enormous sums that are now necessary for teams competing internationally, and no grants are made at present for international tournaments. Yet if a tournament is to be meaningful it obtains much of that meaning from international competition. So again there is need for help and assistance in that field.

I hope the government will consider very carefully the sum involved, which is a small one, and will also consider the fact that this year of 1967 is our centennial year during which there has been a great increase in contributions in the sports area through the centennial commission. This has not been administered through the Department of National Health and Welfare. These contributions have been of great help and assistance but they will disappear next year. So in the whole area of amateur sports across the country there will be a great drop-off next year. I am not suggesting we can maintain the centennial enthusiasm through every one of the next 100 years, but it seems to me some thought should be given to the rather devastating effect of the fluctuations in the total sums of the grants at a time when governmental taxation policies have reduced the number of "angels" in amateur sports and will continue to do so. Goodness knows, if the Carter report is ever fully implemented by the government then the government subsidies for national sports will have to be increased many times if we are to maintain our standard in sports because we can be sure there will be a greater drop-off in the contributions from private sources.

Mr. Patterson: There will be no angels at all.

Mr. Johnston: I think the hon. member for Fraser Valley is correct, there will be no angels. The government is set on a policy toward industry which can only lead to that result. So what used to be provided through private sources must increasingly be provided through governmental sources.

The Chairman: I regret to inform the hon. member that the time allotted to him has expired.

Mr. Harley: Mr. Chairman, I want to take advantage of the debate on the estimates of the Department of National Health and Welfare to say a few words about some of the committee reports which are so seldom debated in the House of Commons. First of all, I want to say a few words about the health and welfare committee and its hearings last year on birth control. As I am sure all hon. members of the house are aware, the committee recommended that the words "preventing conception or" be removed from the Criminal Code, the effect of which would be to make the dissemination of knowledge and the sale of contraceptives legal in Canada. I must say that during its hearings the committee was greatly concerned about the fact that if these words were taken out of the Criminal Code there might be some trouble with the advertising of contraceptives which would be considered to be in bad taste and the indiscriminate sale of contraceptives in various stores which again would be in very bad taste. The committee made some very sensible recommendations regarding a few amendments of a simple nature to the Food and

Drugs Act which would cover the sale and advertisement of contraceptives.

I should like to say as a member of that committee which adopted the report almost unanimously, a report which in my view reflects the feelings not only of members of this House of Commons but of the people of Canada, that I would be quite shocked and surprised if the government did not carry out the recommendations which that committee made. I certainly expect it will do so in the fall when amendments to the Criminal Code, about which we have been told, will be brought about.

In that connection I should like to say a few words about a subject which has not been discussed in the committee to date, namely, the matter of abortion. When the committee met on the question of birth control it was understood by the committee that they would be dealing solely and specifically with the question of birth control and not the question of abortion. The two matters are completely separate and should not be considered together or confused.

As the house is aware, yesterday several private members' bills dealing with abortion were sent to the committee on health and welfare which now has that reference before it. It is hoped the committee will meet soon in view of the fact that representations have already been made to various members of the committee, and hearings should be held in the fall. It is hoped that during the summer recess the people who are interested in the subject of abortion will have two or three months in which to prepare briefs and get ready for an appearance before the committee which should sit early in the fall. I believe that full and detailed hearings will be necessary. I think most people in Canada agree that some changes with regard to abortion are necessary in the Criminal Code, but there are a great many different opinions as to how far these changes should go and how they should be brought about.

I should like to devote most of my remarks to the special committee on drug costs and prices which reported to this house on April 3 of this year. However, before I get into that subject to any great extent I should like to say a few words about the 12 per cent federal sales tax on drugs which, as the Minister of Finance mentioned in his budget, would be taken off the price of drugs as of September 1 of this year. Hon. members will note that the report of the committee did not recommend that the sales tax should come off all drugs but that it should come off prescription drugs only. It is my understanding that the government removed the sales tax from all drugs because it was administratively very difficult to take if off one form of drugs only and it would also create great difficulties for a doctor to whom a patient might say "I know I can buy such and such a drug over the counter without a prescription, but if you give me a prescription for it I can buy it without having to pay the federal sales tax." This would mean a great deal of paper work for the doctor. I thought the government made a wise decision in removing the tax from all drugs.

[Mr. Harley.]

• (4:40 p.m.)

The reason, of course, that the effective date is September 1 is to allow the drugs now on the druggists' shelves, and on which tax has been paid, to be used up. A druggist always has to keep a large stock of drugs on hand to meet any demand, and these stocks will not be used up by the time the change is made on September 1. Unless a druggist is willing to absorb the loss on these stocks, prices will not automatically fall on September 1, 1967. As is mentioned many times in the report of the committee on drug prices, the prices of drugs will not fall 12 per cent when the 12 per cent federal sales tax is removed.

I should like to put on the record two paragraphs from the report of the joint committee on drug costs and prices, starting at page 30:

> From these figures one might be inclined to conclude that elimination of sales tax could result in an average reduction of 5 to 10 per cent in the price of drugs to the consumer, depending upon the particular pricing method in use. However, reduction in prices is not ensured simply by the elimination of the sales tax. This point was emphasized by many who made representations to the committee. It was pointed out that the elimination of the federal sales tax should be taken as part of a program to reduce drug prices and that this can be better assured by introducing competition into the drug market. Evidence, for example, has been shown that tariff reductions have not always been accompanied by a corresponding decrease in the price of drugs although the cost to the manufacturer was lower.
>
> Both the drug manufacturers and retail pharmacists offered the opinion before the committee that the benefits of a reduction in sales tax would be passed along to the consumer. However, the committee concludes that, without more effective operation of competitive forces than presently exists in the drug industry in Canada, the only certain result from removal of the tax would be a reduction in costs to the manufacturers. The consumer must also understand that the removal of the 12 per cent federal sales tax on drugs will not, (however much drug manufacturers and retail

pharmacists honestly co-operate), lower the price of drugs 12 per cent for the reasons already discussed in this section.

Since the publication of this report, Mr. Chairman, we have heard rumours that drug prices either have gone up or will go up prior to September 1 so that there will be no effect from the removal of the sales tax. I personally, along with many other members of the committee, have had a great deal of interest in this subject. I have taken pains to make as many detailed inquiries as I could concerning this rumour. I must say I have found no evidence at all other than the case of one drug by the name of demerol, which is a narcotic that is not prescribed very widely nor it is very expensive. I feel it is only fair to the drug manufacturers and pharmacists to point out these facts. I have found no evidence that drug prices have gone up or will go up. As a matter of fact, I am told no increase in drug prices will take place now after all the adverse publicity. I should point out that one of the companies brought about a reduction in the price of a fairly expensive antibiotic during the hearings of the drug committee.

As I know all members are aware, the special committee made 23 recommendations, which we refer to as a package deal, to bring down the cost of drugs. Generally speaking, the recommendations contained in the report can be divided into two sections, each of which emphasizes a basic idea. The first section of these recommendations to lower drug prices would make cheaper drugs available in Canada or make drugs manufactured in Canada less expensive. Fifteen of these recommendations were designed for that purpose.

The second group contains six recommendations, and these are designed to make sure that if available drugs are cheaper or if cheaper drugs are available—I am sure hon. members will see the distinction—they meet the requirements for safety established by the food and drug directorate. There were three other recommendations made in the report which probably have no effect on the first two groups but which the committee felt might be useful.

I should point out that while lower drug prices are important, they are of no use if the drugs are not prescribed. I should point out too that the report itself is not worth the paper it is written on if we cannot convince the medical profession that they can safely prescribe the drugs that are available in Canada. Less expensive drugs must not be less safe. We must do what we can to bring down prices but we cannot do that by sacrificing the safety or the quality of our drugs. There is no question but that less expensive drugs are available in Canada now. If one has any doubt about this, one has only to look at the practice of the government of Canada and most of the provinces in tendering. I am pleased to say that there was no evidence before the committee that any significant problem dealing with the safety of drugs had been introduced since the government began issuing the requirements for drug firms tendering on a particular drug.

These requirements come under the Canadian government specification board and are called standards for manufacture, control and distribution of drugs. Certainly the drugs purchased by the government are cheaper because no federal sales tax is paid on them, but the saving as a result of tendering on drugs goes far beyond that. The inspection of drugs intended for government use or public use comes under the food and drug directorate.

It seems to me that cheaper drugs can be made available because the inspection services are the same. I feel that to ask doctors to change their prescribing habits would be a very serious responsibility, but the committee undertook it and eventually the government will have to take that responsibility. When the doctor prescribes drugs he wants to be sure they are safe. I should point out, and I am sure every member of the committee is aware, that any drug can kill if it is taken in large enough doses. Some drugs can kill even if they are taken in the prescribed manner because the person may develop an idiosyncrasy or allergic reaction. As a result of my experience I can say that no drug is ever prescribed or taken lightly by the medical profession.

In order to ensure knowledge of drugs and their safety, the committee also recommended that a bulletin be published and that copies of it be given free to the doctors. It should be published by the federal government and sent to the doctors monthly. Here I would include the following information which is found in the report on page 17, and this information should be contained in the publication:

(i) Generic name of the drug

(ii) Names of all manufacturers of the drug, and brand names of the above drug

(iii) Comparative costs and clinical equivalency of the above drugs

(iv) Therapeutic action of drug

(v) Side effects of drug, contra-indications and toxicity

(vi) Last assay for each company's product, of content and availability of active ingredient, solubility and disintegration

(vii) Any problems with any company's product—toxicity, impurity, seizures, court actions, failure to meet standards, etc.

If this bulletin were published it would provide the doctor with knowledge of all the products which were available on the Canadian market, how safe they were and how much they would cost in each case. I am convinced that cheaper drugs, or perhaps a better expression is less expensive drugs, can be made available in Canada, first of all, by importing cheaper drugs. The committee made many recommendations concerning trade mark and patent changes. If these were carried out as recommended by the committee the importing of cheaper drugs would be possible.

• (4:50 p.m.)

I know that the drug manufacturing industry in Canada is afraid that if these recommendations were carried out the industry would suffer a great deal and perhaps disappear. I do not agree with that view at all. I think it is a very live industry and that it would drop its prices and be forced to compete. Bringing in cheaper drugs from outside Canada, provided they were safe—and the committee report took that into account—would inject competition into a relatively non-competitive market as it exists at the present time.

The second way that less expensive drugs could be made available in Canada is by lowering the cost of the drugs that are actually manufactured in Canada. One of the startling things to committee members, I think, was when it was revealed that approximately one third of the manufacturers' dollar in Canada actually goes on marketing and promotional expenses.

Reference was made in this debate earlier and also in the committee hearings to a recommendation in the Hall report concerning marketing expenses, and I should like to put it on the record. I read from page 22 of the committee report on drug costs and prices:

The Hall commission likewise came to the conclusion that marketing expenses in the drug industry were too high, and recommended a compulsory method whereby this expense might be lowered, namely, "that in the application of the provisions of the corporation Income Tax Act to the manufacturers, importers and distributors of drugs, consideration should be given to establishing a maximum of 15 per cent of total sales as the allowable deductible expense for advertising, sales promotion, 'detail men', and other similar items".

[Mr. Harley.]

The committee did not agree with the Hall commission on this point, and in explanation of that disagreement I want to put on the record a sentence in our report. If I may again quote the committee report, in the next paragraph there appears this passage:

Yet again, regardless of the savings hopefully expected as a result of the recommendation, it might well be that the drug companies would, regardless of increased taxes, press their promotional activity to meet the continued competition of their rivals—which might easily result in higher costs at the manufacturers' level, and then higher drug costs to the consumer.

So the committee felt that the recommendation of the Hall commission would actually tend to increase the price of drugs rather than lower it.

We often hear a great deal about the question of quality control or safety of drugs. Evidence put before the committee showed that this is not a feature of great cost; therefore the question of safety is not a debatable one. There is nothing in this report that would jeopardize the safety or quality of any drug. To use safety as an argument for the high cost of drugs is just not acceptable.

In summary, Mr. Chairman, what the report really says is that price competition is the answer in the Canadian drug market, not product competition between companies as now exists, with the accompanying high marketing and promotional costs. As I mentioned earlier, this is a package deal. The recommendations made in the report would mean changes to the Food and Drugs Act, the Customs Act, the Patent Act, the Trade Marks Act and, as I have already said, there have been changes made in the budget.

The federal government actually has no power to carry out many of the recommendations which have been made, but we certainly hope that those who have jurisdiction in these areas will carry out their own investigation based on our recommendations. Personally I am convinced—and I think the members of the committee are too; the report was adopted unanimously—that less expensive but safe drugs are possible in Canada. I ask the government, and in particular the Minister of National Health and Welfare and the Registrar General who are responsible for implementing many of these recommendations, to bring in the necessary legislation early this fall.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I should like to begin my remarks by referring to the conclusion of the minister's remarks in the committee the

other day when introducing the estimates of his department. The minister stated that in the past 22 years the expenditures of the department have increased almost tenfold. I am not going to put the figures on record, but to my mind the fact that in the past 22 years the estimates of the Department of National Health and Welfare have increased almost tenfold is one of the surest indicators that slowly but definitely we are working toward a reasonable standard of civilization in this country. I regard the Department of National Health and Welfare as one department which, to a measure at least, is trying to get people co-operatively to build a standard of income and living across this country which is acceptable. It is a way of redistributing income and services across the country in a planned and co-operative manner.

I very much hope that the minister will continue to expand his department in spite of any pressures that there may and will be to the contrary. As a matter of fact, I was a little frightened today on hearing somebody ask a question that suggested that one of the premiers in this country had thought that it might be a good idea to apply a means test to recipients of family allowances. I think the danger is that pressures of this kind will be brought to bear in this country, but they must be resisted.

It is not a matter of resisting these pressures on the basis of making handouts; it is a matter of resisting them on the basis of good, common-sense planning and having a sound economic and social fabric in the country. Not long ago I read an article which indicated that one of the cushions against momentary or short, periodic depressions in Canada is the fact that we have these comprehensive schemes of old age security pensions, family allowances and the like. These ensure that there is this much buying power in the country to cushion shocks.

I do not suppose that the minister will altogether share that theory. Sometimes the minister reminds me of the story of the old farmer who was talking of all the improvements and changes that he had seen brought in during his lifetime, how the steam engine had been invented and various other things, and he wound up very triumphantly saying "And I was agin them all!" I think that a great many changes have had to be brought in with the minister resisting them pretty vigorously, in their fullness at least, but having reluctantly to be shoved and prodded into agreeing to the full measure of the changes later on.

I see that the hour is approaching when I shall have to close my remarks, Mr. Chairman, but I want to be sure of getting in a special plea for a group which I believe has not been mentioned so far during our discussion of these estimates. I refer to the blind persons in this country of whom there are a great many.

I recall that last May our attention was drawn to the fact that a delegation from the Silver Cross Women of Canada was in the gallery of this chamber, and I remember there was a great deal of desk thumping and banging in appreciation of their presence. A few days later I received a resolution from these women which reads as follows:

> Resolved that due to the extra expense incurred because of blindness or near-blindness the present allowance given blind persons is inadequate and rules governing same with relation to earning and blind women marrying are most unfair.
>
> We, the Remembrance Association, Silver Cross Women of Canada in convention assembled in Ottawa, May 7-10, 1967 respectfully request the government to seriously and immediately review the status of the blind with respect to their allowance and rules relating thereto, and we further request that the means test be abolished.

• (5:00 p.m.)

Had that been received with the same degree of desk thumping and appreciation as accorded on the other occasion and had corresponding action been taken, we should have honoured in a much greater way the silver cross women when they were here as well as the blind of this country.

Of all those who are handicapped, the blind suffer from the handicap which is most difficult to bear. They find it hard to convey the limitations from which they suffer. During the past week end I was in Vancouver in my constituency, and at the gathering I attended there were about a dozen blind people from Queen Elizabeth Hall, the residence for the blind of that area. I wish that the minister would not turn around and giggle. It is important for him to hear my remarks about the blind. He can giggle when the session is over. There will be lots of time for that before we resume again.

The blind people at the gathering told me that the cost of living in their institution had gone up within the last short period. That did not bother them in so far as food and lodging was concerned, but they were troubled because the cost of living made clothing expensive for them. They knew that they looked dowdy and they could not afford clothing because the cost of living had taken it out of reach. They wanted to see the means test

removed. But more than anything they wanted to be able to afford the clothing and amenities which, because of rising living costs, were difficult for them to buy.

The blind who spoke to me said: "The blind who are living in private homes, with sons and daughters, are much worse off than we are."

The Chairman: I apologize for interrupting the hon. member.

Mrs. MacInnis (Vancouver-Kingsway): May I call it five o'clock.

Progress reported.

HEALTH AND WELFARE

TERMINATION OF PREGNANCY BY REGISTERED MEDICAL PRACTITIONERS

Mr. Jim McNulty (Lincoln): Mr. Speaker, yesterday we sent two bills to the committee on national health and welfare so that it might deal with their subject matters. A third bill should have been sent to the committee. May I have unanimous consent to move a motion with respect to the third bill?

Mr. Deputy Speaker: Does the hon. member for Lincoln have unanimous consent to move the motion?

Some hon. Members: Agreed.

Mr. McNulty: I move:

That the Order for the second reading of Bill C-136, an act concerning the termination of pregnancy by registered medical practitioners, being order No. 121 under the heading "Public Bills" on today's order paper, be discharged and that the subject matter of the said bill be referred to the standing committee on health and welfare.

Mr. Herridge: I am glad that this bill is being sent to the committee as I am getting a great deal of support for its principle and purpose.

Motion agreed to.

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

TRANSPORT

SUGGESTED ESTABLISHMENT OF INLAND WATERWAY FROM WINNIPEG TO EDMONTON

Mr. Eric Stefanson (Selkirk) moved:

That, in the opinion of this house, the government should consider the advisability of establishing an inland waterway from Winnipeg through Selkirk to Edmonton, via the Red River, Lake Winnipeg and the Saskatchewan River.

[Mrs. MacInnis (Vancouver-Kingsway).]

He said: Mr. Speaker, I had this same motion on the order paper last year and it came up for discussion on June 1, 1966. As the government has not taken any action on it, I felt duty bound to place it on the order paper again.

I am happy that there is an opportunity again to discuss the merits of this motion. All I am requesting is that the government should give consideration to the advisability of establishing an inland waterway from Winnipeg through Selkirk to Edmonton via the Red River, Lake Winnipeg and the Saskatchewan River. This is not an unreasonable request. I hope that the Minister of Transport particularly, as a former Manitoban, will lend his support to this motion and not let another year go by without initiating a feasibility study of this proposed waterway.

When speaking on this resolution last year the hon. member for Red Deer (Mr. Thompson) said he would have been happier if I had specified that one end of the system be Rocky Mountain House. I would have no objection to this. In fact the Voyageurs, one of Canada's centennial projects, started from Rocky Mountain House in the foothills of the Rockies on the North Saskatchewan River and will finish at Expo in Montreal. The Voyageurs will arrive in Selkirk, Manitoba, on Sunday, July 2. Besides being greeted by the residents of Selkirk, many other people will be there to greet them, including Lord and Lady Selkirk. Those participating in the centennial canoe pageant will be familiar with the terrain along this proposed waterway and they will be a valuable source of information for compiling the merits and feasibility of this system.

I pointed out last year that the first promoter of this proposed waterway to whom I listened was the late Mr. J. F.—Fergie—Cunningham, who had personally carried out research and study of this system. He firmly believed that it would be practical. Subsequently the Selkirk Chamber of Commerce took up the promotion of this proposed inland waterway and did an excellent promotional job. So far, however, there has been no government action. If one firmly believes in a project and does not immediately meet with success, one should not give up but should continue to promote the project and request the government to take action.

Mr. Knowles: Hear, hear.

Mr. Stefanson: My experience in regard to other matters and other projects has been that if one believes strongly in them and

perseveres long enough, one generally meets with success in the end.

The purpose of this proposed waterway is to provide another means of transportation. It is only natural that some of those engaged in other modes of transportation will oppose this proposition and even ridicule it. I personally believe that this proposed western inland waterway will reduce freight costs in the prairie provinces, will accelerate development in northern areas and will encourage production of minerals as well as agricultural and forest products. It will open new frontiers to recreation and will encourage tourists to come to these areas. It will help to bring in much needed United States dollars and thus help to rectify the imbalance of trade with our neighbour to the south. In addition, it will shorten the distance for building roads to resources and will create substantial additional employment.

Many have said to me that this idea of a western inland waterway is a very good one but that before it will be practical or feasible we need a much larger population and much more industrial development. I do not dispute the fact that this is probably correct. The population of Canada from now on will increase at a much faster pace than in the past and the same applies to industry. With an increasing population, industrial development will take place at a far greater place than in the past. In view of this I feel it is imperative that the government start now with studies and not wait until we require this additional transportation system.

It is a foregone conclusion that extensive population growth and extensive industrial growth will take place in the three prairie provinces in the years ahead. The prairies have wheat, oil, potash, minerals, agricultural products, pulp and forest products, fish, and so on. For these reasons this is a natural area for industry to establish and a western inland waterway will help to bring industry there.

• (5:10 p.m.)

In the period from 1870 to 1917 many boats travelled the Saskatchewan River system. There was no expenditure made for river improvement. Some of these boats were of a good size, as long as 200 feet. We have today a fleet of tugs and barges operating on Lake Winnipeg. I am told that this is the most up-to-date equipment of its kind on the North American continent. During the construction of the hydro development at Grand Rapids this fleet moved a lot of material and equipment to that power site. These crafts will be ideal for operating on an inland waterway such as I visualize.

An extensive detailed investigation to ascertain the feasibility and cost of providing a navigable waterway for vessels and barges to operate between Edmonton and Lake Winnipeg was carried out between June, 1910 and October, 1915. The complete report of this investigation was submitted in November, 1917 by the chief engineer of the Dominion Public Works Department. This report, based upon a minimum of six feet of water at mean low water levels from Lake Winnipeg to Edmonton, estimated the cost as follows: Dredging and channel improvement, $6,200,000; seven locks and dams, $14,565,591; total, $20,765,591. When this report was received the first world war was in progress. Then came the post-war years, the depression and the second world war. No action was taken on the report.

Mr. Speaker, bearing in mind that it is over 40 years since the last study of the proposed inland waterway was made I would urge the Minister of Transport or the Minister of Public Works, or both of them, to initiate a study at this time in order that up-to-date figures may be available. At the time of the previous study the economy of western Canada was centred on wheat and other grains. Now, western Canada is becoming industrialized and, as I have pointed out, industrial development will from now on expand at a much more rapid pace. It is essential to have competitive transportation systems which will be able to provide low-cost transportation service. I believe that in the future a multi-transportation service which will include highway, rail, air and waterways will be needed to serve the needs of the people.

Following the second world war, tremendous developments of waterways have taken place in the United States, in Europe and in other parts of the world. The St. Lawrence seaway was built after the second world war and now permits ocean liners to sail to the lakehead.

In the June issue of *Ship-Shore News* there is an article under the following headings, "Canal Traffic And City Will Benefit From $350 Million Dig". It reads in part as follows:

A $110 million excavation project began this month on the Welland section of the seaway, where a new eight-mile channel will replace a narrow and winding part of the waterway that now bisects a city of 38,000. Minister of Transport J. W. Pickersgill officiated at ceremonies marking the start of excavation near the south end of the

channel, mid-way between the cities of Welland and Port Colborne . . .

The Welland bypass is the first stage to bring the 35 year old 27-mile waterway up to date and to meet the projected needs of the next decade's shipping traffic.

The second plan, which still requires government approval, is relocation of the canal at the northern end, with a new lock running from Lake Ontario—east of the existing canal—to Thorold, above lock 7.

Another heading appeared in the same paper, namely, "Experts Will Discuss Potential Of Waterways At Niagara Falls Meet." I now quote from this article:

The Great Lakes Commission will hold its semi-annual meeting this year in the Parkway Inn, Niagara Falls, N.Y., June 27, 28 and 29. The program of activities includes a tour of the Canadian and American falls area. The Commission's executive director, Colonel Leonard J. Goodsell, says: "The theme of our meeting is Multipurpose and International Use of Great Lakes Waters: (1) Water Resources Programs; (2) Navigation, Power, Recreation and Scenic Beauty, and (3) U.S.-Canadian Activities.

Our objective is to demonstrate the very wonderful things that can be done to develop our water resources, while assuring their wise use and conservation for the benefit of all who use and are interested in the water resources. We are especially fortunate in having Niagara Falls of the U.S. and Canada available to us. Here we can very quickly and conveniently view outstanding developments in the multipurpose and international use of the water resources of the Great Lakes basin . . .

The agenda for June 27 includes committee meetings to discuss the St. Lawrence Seaway, navigation and commerce.

In the United States several waterways have been developed since the second world war. Some of the major navigation inland waterways in the United States are the Mississippi River system, the Missouri River system and the Ohio River navigation system. All these inland waterways have brought tremendous benefits to the communities along the way. Travel on inland waterways in the following European countries, Belgium, the Federal Republic of Germany, France, the Netherlands and the U.S.S.R., has greatly increased in the last 25 years.

Mr. Speaker: Order. I understand the hon. member's time has expired, unless there is agreement for him to continue.

Some hon. Members: Carry on.

Mr. Speaker: The hon. member has the consent of the house to continue. Order. There was a joint mistake made between the table and the chair. The hon. member has additional time available to him.

Mr. Stefanson: Thank you, Mr. Speaker. I thought I was allowed 20 minutes.

[Mr. Stefanson.]

The Moselle Waterway, a 170-mile link between the steel producers of Lorraine and the Rhine, was officially opened in 1963. The construction of this waterway was an engineering feat of some note and the cost was shared by three countries, France, West Germany and Luxembourg. This inland waterway enabled the French steelmakers to ship steel to prospective customers in southern Germany more cheaply than before. It also enabled them to bring in coal by barge from the Ruhr area and from Holland and this means lower freight rates. This inland waterway is helping the economies of the three participating countries.

The proposed inland waterway from Winnipeg through Selkirk to Edmonton is approximately 1,200 miles long. The type of waterway I have in mind, suitable for tugs and barges to use, would not require any great depth of water and would therefore not require any great amount of digging. Every power development creates a lake; I am thinking of the power developments at Grand Rapids and at Squaw Rapids. The formation of these lakes should make navigation easier. There will be locks needed at the dam. From an engineering point of view there should be no problem about making this inland waterway a reality.

During the past year, construction of a pulp and paper mill at Prince Albert has been started and another pulp and paper mill and a forest products plant are under construction at The Pas, Manitoba. Some time in the future, another pulp and paper mill may be established at Grand Rapids.

At the present time Marine Transport hauls pulpwood by tug and barge to the pulp and paper mill at Pine Falls. Some of the pulpwood is hauled in from north of Norway House on the Nelson River. The Selkirk Silica Sand Company hauls silica sand from Black Island in Lake Winnipeg to Selkirk where the sand is processed. It is logical to suppose that eventually there will be a glass factory established alongside the sand processing plant. Under the ARDA-FRED agreement, there will be an industrial park established in Selkirk. In considering the future development of Selkirk, one must not discount the possibility that some day Selkirk may be situated on a great inland waterway. At the present time most of the lake traffic on Lake Winnipeg funnels out from Selkirk. In the future water traffic may greatly increase and become far more important than it has been in the past. No doubt an inland waterway could be established from Lake Winnipeg to

the Great Lakes. This is the route which the explorers travelled.

• (5:20 p.m.)

I can also visualize a waterway from Lake Winnipeg to Hudson Bay. With power development now taking place on the Nelson River, consideration should be given to the possibility of making the Nelson River into a navigable waterway. If these waterways become a reality then Selkirk will become a busy inland seaport.

Recently I had the privilege of attending the official opening of the new melt facilities at the Manitoba rolling mills in Selkirk. These new, modern facilities cost the company over $9 million. The modernization of this plant is an indication that this company has faith in Manitoba and in the town of Selkirk. Also recently I attended sod-turning ceremonies for the distillery which the House of Seagram is building at Gimli, Manitoba. The establishing of this distillery at Gimli involves an expenditure of $10 million. This is an indication that the House of Seagram has faith in Manitoba and in the town of Gimli.

Lake Winnipeg is by far the largest producer of fresh water fish in western Canada. The fish are brought in by boat to the fishery plants at Gimli, Selkirk and Winnipeg. Canadian forces base Gimli is a very active base where jet pilot training is carried out. Indications are that this base will be active for many years to come. The Pan-American sailing races are being held at Gimli this summer. I merely point these things out, Mr. Speaker, to show that business has confidence in this area of Manitoba and that exciting things are already taking place.

I urge the government to take steps to ascertain the transportation needs of western Canada for the next 10, 20 or 30 years. I am personally convinced that the time will come when inland waterways will become an important part of our transportation needs. Perhaps the government will prefer to conduct a study of the whole water system in western Canada, including source and supply, conservation, power development and inland waterways. If the government is prepared to do this I will be satisfied provided such a survey or study is initiated at an early date.

Mr. Hubert Badanai (Fort William): Mr. Speaker, first I would like to assure my good friend that I do not intend to ridicule his idea. On the contrary, the hon. member is to be commended for his perseverance in bringing up again the subject of the motion under discussion which was debated in the house, as he stated, on June 1, 1966.

This motion, which requests the government to give consideration to the advisability of establishing an inland waterway from Winnipeg through Selkirk to Edmonton via the Red River, Lake Winnipeg and the Saskatchewan River was first placed on the order paper in March, 1962. Even older than the hon. member's motion of 1962 is an engineering survey of this project which was first made by the Department of Public Works more than half a century ago, in the years 1910 to 1914. Then, of course, the first great war broke out and the scheme was abandoned for the duration of the war. Afterwards other things happened to curb the enthusiasm of those who favoured the idea at that time. It is quite conceivable that if the first world war had not intervened the scheme envisaged by those involved in that study might have had a chance of receiving serious consideration by the government of the day.

The report of the 1910-1914 engineering survey, based upon a minimum of six feet of water at mean low water levels from Lake Winnipeg to Edmonton, estimated that the cost would be in the order of $6,200,000 for dredging and channel improvement, and for other improvements $14,565,591, making a total of $20,765,591.

I believe I mentioned in my previous speech on this motion the plan of Mr. John R. MacNichol, former M.P. His plan was to make the old fur trade route navigable for coal and oil transport, something which the hon. member for Selkirk seems to be advocating also or, in other words, that this particular plan be revived. Another interesting scheme suggested by a Professor Hind of the University of Toronto in the 1870's was to pipe water across the prairies to the cities of Moose Jaw and Regina, which would have meant the construction of a dam and a diversion of the Elbow River, with the possibility in mind of travelling by boat all the way from Winnipeg to Calgary.

However, none of these schemes materialized, and in 1961 the premier of Manitoba requested a review of the information obtained in the survey which was made before 1914. At this time the review concerned the engineering and economic problems associated with the canalization of the Saskatchewan River to determine the justification for a detailed engineering survey, including field investigation, preliminary design and, of course, cost estimates.

Establishment of Inland Waterway

The 1961 survey concluded that there would not be a sufficient volume of traffic to provide significant transportation savings to set against the heavy capital and operational costs which would be involved for the federal government in the construction of such a waterway. I venture to say that the 1961 survey holds true today. The road and rail transportation systems now in existence would appear to be capable of meeting foreseeable future requirements.

When this transportation system was first suggested the prairie provinces did not have the facilities which exist today. At that time the railway and the waterways were the main transportation systems. The trans-Canada highway now provides a direct first class route for interprovincial truck and passenger traffic, and our air lines offer excellent passenger, freight and air express service between all major points.

Although the 1910-1914 engineering survey was confined to the route from Edmonton to Winnipeg and did not investigate the potential of the South Saskatchewan for navigation, it is still considered adequate for determining the order of magnitude of the costs involved in developing either or both the north and south branches of the Saskatchewan River for navigation purposes.

The engineering survey of 1914, as I stated before, estimated the cost of providing navigation facilities from Edmonton to Lake Winnipeg at approximately $20 million. In 1961 the revised costs, based on the original plan, had sky-rocketed to an estimated $100 million. I shall leave it to my hon. friend to imagine the cost six years later.

• (5:30 p.m.)

It is extremely doubtful that present circumstances would result in a substantial downward revision of these costs. It was stated that the 1961 estimated cost of $100 million could possibly be $250 million if the project was completed today. It might be noted that one estimate is in respect of a navigation route using the North Saskatchewan River and that the other is in respect of a navigation route using the South Saskatchewan River. However, the review carried out in 1961 for the previous minister of northern affairs and national resources found that it was reasonable to assume that a minimum cost to develop a navigation route originating either on the North or South Saskatchewan river and ending at Lake Winnipeg would be in the neighbourhood of

[Mr. Badanai.]

$100 million and could possibly be $250 million. It naturally follows that if the expenditure of the estimated $100 million cannot be justified on the basis of potential transportation savings, any further studies conducted at the present time are not warranted.

In 1961 the estimated cost was $100 million to $250 million, and if the lower figure is amortized on a 50-year basis, having in mind the economic factors which are involved, the equivalent annual costs, including interest and amortization, would be some $5,500,000. On the higher figure of $250 million the annual costs would be $13,750,000. Neither of these amounts includes maintenance or operating expenses.

The estimated physical capacity of the locks in the proposed system would possibly be nine million tons of freight annually. This assumption is made on the basis of equal traffic in both directions, which is highly improbable. It appears that by far the greatest volume of traffic that would move on such a waterway would be bulk cargoes such as coal, petroleum products and grain. These would be the main cargoes on the waterway during the estimated seven-month season and, as I said before, these main cargoes would probably move from west to east with little apparent backhaul traffic in sight.

With the estimated physical capacity of the locks set at nine million tons of freight annually, and the greater portion of the freight moving eastward, it would be possible to handle only 4.5 million tons one way. This figure is based on continual operation of the locks during the seven-month season. Therefore a more realistic figure on the capacity of the system would be approximately three million tons a year.

The future estimated requirements of the Manitoba Hydro-Electric Power Board for coal during the next 10 to 20 years are approximately one million tons annually. This is based on the assumption that natural gas would not provide a cheaper B.T.U. base. In view of the recent announcement in this house that a second natural gas line will commence construction shortly, a move which could eliminate the Hydro-Electric Power Board's need for coal to a bare minimum, the expected revenue from the transportation of coal could be eliminated.

I wonder whether the hon. member has heard of the study and research being conducted in respect of the movement of wheat and other commodities from western Canada

by pipe line. I regret that I do not have the figures showing the amount involved in this research but it is substantial. I venture to say that eventually pipe line transportation will be a major factor in covering the costs of moving merchandise over the long distances which we have in Canada.

Incidentally, according to figures the cost of transporting coal by rail compared with barge movement is as follows: For barge movement the cost per ton of coal is $3.65. In addition to the hauling of the barges there would be the cost of taking the coal from the mine to the water terminal, loading at the terminal, and carrying the five-month inventory at the power station for use in the winter months. While there are no definite figures on the cost of these operations they would probably total as much as the cost of the barge movement itself for an over-all total in the order of $6 to $7 per ton.

The present rail cost for a corresponding haul from pithead to power plant is estimated at $6 to $7 per ton. As hon. members can see there is little if any margin in favour of transporting coal by water rather than by rail in so far as Manitoba Hydro is concerned. Therefore the movement of coal by water might not occur at all, and even if it did coal would make no appreciable contribution in terms of transportation savings. The result would be that the savings which are necessary to justify the large capital outlay would need to be found in other traffic.

In so far as grain and petroleum products are concerned, there is nothing at present which indicates that the proposed water system would be competitive with present rail rates for grain and petroleum products moving eastward.

In summing up I might say that on the basis of these preliminary studies there would appear to be little justification for expenditures on works in the order of $100 million to $250 million in the interests of navigation on the Saskatchewan River. Hence it would seem doubtful that there is any reason to quarrel with the 1961 finding which was that a large outlay on engineering investigations is probably not warranted at this time. If it should be considered desirable some day to pursue the matter further, it is believed that studies should be made first of all on the economic side which would involve a more detailed analysis of traffic potential.

It may seem unpleasant to have to be realistic and dash cold water on such a romantic suggestion as a waterway through the heart of our great prairies. It would be much more pleasant to be able to agree with Professor Edward Kuiper of the University of Manitoba who, in a paper prepared for the 1961 Resources for Tomorrow Conference, said that a similar development would turn Manitoba, Saskatchewan and Alberta into "The Garden of Eden of North America."

• (5:40 p.m.)

Dr. Kuiper was of course referring not only to a waterway but to a full irrigation system that could be developed with it. Such a system, he said, would mean the end of drought for all time in the prairie provinces.

Dr. Kuiper's proposals were more ambitious than those of the hon. member for Selkirk (Mr. Stefanson). He also suggested the canalization of the Nelson River in northern Manitoba. Such a development, he said, would make it possible some day for Winnipeg residents to travel by boat deep into the heart of Alberta and for a change come back by a different route, through the Saskatchewan wheat fields to Hudson Bay. He said it would be a simple matter from a technical viewpoint to build ship locks in conjunction with future dams on the Saskatchewan and Nelson Rivers.

However, the results of the preliminary investigations I have described indicate, I believe, that although it may be simple from a technical viewpoint the capital expenditures involved would be very considerable, while the economic justification has not been firmly established in any of the investigations that have been carried out to date.

Mr. Speaker: Order, please. I regret to interrupt the hon. member but his time has expired.

Some hon. Members: Continue.

Mr. Badanai: I have only one sentence to complete my remarks.

Mr. Speaker: The hon. member suggests he has only one sentence left. Is it agreed that he be allowed to continue?

Some hon. Members: Agreed.

Mr. Badanai: Thank you, Mr. Speaker and hon. members, for allowing me to finish this brief dissertation on this very romantic project brought forward by my very good and genial friend, the hon. member for Selkirk. As I was saying, while the economic justification has not been firmly established by any of the investigations that have been carried out to date, this waterway is not beyond the realm of possibility. There is little evidence

to indicate that the results of the review carried out by the previous government in 1961 do not still apply. Nevertheless, great changes have taken place in the prairie provinces in recent years in industrial and natural resources development, as well as in transportation. In view of this growth and development I would not want to suggest that the Winnipeg-Edmonton waterway will not be built some day, nor for that matter that even Dr. Kuiper's more extensive proposals will not be adopted or prove to be impossible in the light of future developments of the west. I visualize this great project as a very romantic one which should not be considered as one that will never come to fruition.

Mr. Barry Mather (New Westminster): Mr. Speaker, the motion before us simply calls upon the government to give consideration to the possibility of establishing a great new inland waterway, and it was well described by the hon. member for Selkirk (Mr. Stefanson). I simply rise to say, as I did about this time last year, that I have great pleasure in supporting the proposal. It might be thought, as it might have been thought about the hon. member who has just resumed his seat, that as I come from an area concerned with waterways I would not be the first one to get up and support a proposal to establish another waterway. I come from the western maritimes, the city of New Westminster on the lower mainland of British Columbia, but I think we should rise above regional considerations in this matter, particularly during centennial year. In the hope that the motion will come to a vote I shall take my seat, but I support the proposition that has been so well put before us.

Mr. Knowles: Question.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I join the other speakers on this subject this afternoon who have said that it is one of great interest, particularly because in this centennial year the feat of the voyageurs who travelled over the route under discussion in opening up this country is being re-enacted. To anyone who was born on the prairies and lived in the west and absorbed some of its history, that was an era of wonderful adventure for Canadians and marked the greatest era of discovery in our history. It was an era of discovery which involved a water system longer, I believe, than the St. Lawrence, certainly stretching over a greater area.

[Mr. Badanai.]

It is probably not well known in eastern Canada that the Saskatchewan river system stretches literally over all the prairie lands to the foothills of the Rocky Mountains. It was on this great waterway that Alexander Mackenzie travelled in his voyages to discover a route to the Pacific. He arrived at Bella Coola and he painted on the side of a rock at that site the words "Alexander Mackenzie from Canada. By land. July 22, 1793."

It is interesting to consider his voyage from Montreal and the meaning of this waterway and its development in the terms which have been outlined by the hon. member for Fort William (Mr. Badanai) and the hon. member for Selkirk (Mr. Stefanson). We can follow this waterway again today with Mackenzie in order to gain some comprehension as to what its development could mean to the west and commercial traffic throughout that area. Alexander Mackenzie travelled from Montreal to the prairies. As I understand the history of his voyage it began above Lachine Rapids. His party moved in canoes up the Ottawa River. These canoes were approximately 30 to 35 feet in length. They were manned by six to eight men and carried freight loads weighing two, three or four tons. These canoes were known in the eastern section of this nation as "canot maître," or master canoe.

• (5:50 p.m.)

Alexander Mackenzie travelled the Ottawa River route rather than the St. Lawrence because of the difficulties with rapids he would have encountered. He negotiated the Chaudière Falls and travelled above them on the Ottawa River to the Mattawa River. He then followed the Mattawa River to Lake Nipissing. He crossed Lake Nipissing and after portaging coasted down the French River to Georgian Bay. He went along the north shore of Georgian Bay following the canoe route to the north of Manitoulin Island and working his way westward he passed through the Straits of Mackinac and crossed lake Superior to the head of the lakes and what was known in those days as Grand Portage. This was the route that Radisson and Groseilliers had travelled in 1650. It was the route along which Marquette and Joliet had travelled on their original voyage of discovery to the headwaters of the Mississippi in 1673 and the same route over which LaSalle had gone when he made his voyage in 1682 across to the headwaters of the Mississippi and down that great river to its mouth.

Having reached Grand Rapids let us pause for a moment to think of the feats of these voyageurs as they opened up the country. They made this trip involving approximately 36 portages from Montreal to the head of the lakes, some of them up to two miles in length, carrying canoes and loads on their backs of 200 pounds. One traveller who went with them tells of voyageurs who were loaded down with 200 pounds of freight on their backs, jigging along portages which caused these people to drop. These travellers wrote in their diaries that they could hardly keep up with the pace. They made these voyages in 35 to 40 days. There is an incident of a letter being taken from Montreal on May 6, 1817 and arriving at Grand Portage on June 3 in a canoe which was really an express canoe, not loaded with freight as the others were. This shows the speed at which mail and light freight could be portaged by these voyageurs as they moved westward.

From Grand Portage they moved through the maze of lakes, which was a very complicated process, through the wilderness leading to the prairies, and then took the route along Rainy River into Rainy Lake and thence into Lake of the Woods. Then they came to the mouth of the Winnipeg River leading into Lake Winnipeg. This was the historic route which La Vérendrye and his sons had taken in 1731 when they moved across that country and out into the prairies for the first time. I might say they were not the first white people on the prairies because Henry Kelsey of the Hudson's Bay Company had gone there before coming down the northern route in 1690. At that time he went to the north end of Lake Winnipeg and into the mouth of the Saskatchewan River.

It is interesting to consider the long history of that river and its importance in the development of early Canada. In the early part of the eighteenth century these voyageurs were moving in considerable numbers west of Grand Portage or west of the head of the lakes, trans-shipping at this point into somewhat smaller canoes, the "canots du nord", or northern canoes. These were light canoes which could carry one or two tons of freight and were operated by a smaller crew. They were manned by the elite of the voyageurs who at that time, in the middle of the eighteenth century, were moving far across the Canadian west. They followed a course up Lake Winnipeg, across Cedar Lake into the mouth of the Saskatchewan River and along the Saskatchewan River to the forks. They took the line of the North Saskatchewan from the forks and moved on to where the city of Edmonton now is and beyond. Then there were a series of portages and they made their way over into the Athabasca and coasted down the Athabasca to Slave lake where Fort Chippewa was established.

It was at Fort Chippewa that Alexander Mackenzie wintered during his historic voyage to the west. He tells in his diaries how imperative it was to the voyageur of that day in making the trip between the opening up of the rivers in the springtime and freeze-up in the fall to meet the rugged schedule from Montreal to the Great Lakes, thence across to the prairies and across the prairies to Fort Chippewa. There was little time to waste and little time to do anything else except bend to the paddle if they were to make it in time to winter at Fort Chippewa. To those who were left on the prairies during those harsh winters it was indeed a rough experience and often one which resulted in the death of these brave and intrepid men. Mackenzie broke camp in the spring and began his journey up the Peace River, taking the fork southward along the Parsnip River and made his way into the headwaters of the Fraser. Then he went down the Fraser river past where the cities of Prince George and Quesnel now stand and made his way across country to Bella Coola where he chalked his name on the rocks.

Mr. Rapp: Don't talk it out.

Mr. Deachman: This was the historic route which he and the great voyageurs of that day travelled. Looking at this river system one sees no reason why, as time evolves and the need for prairie transportation develops, it should not be used for this purpose.

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

HOUSE OF COMMONS

Thursday, June 29, 1967

The house met at 2.30 p.m.

CANADIAN CENTENNIAL

MESSAGES OF CONGRATULATION FROM COMMONWEALTH PARLIAMENTS

Mr. Speaker: I have the honour to inform hon. members that messages have been received from a number of commonwealth parliaments extending congratulations and good wishes to the House of Commons and to Canada on the occasion of our centennial.

These messages have been addressed to the house by the New Zealand House of Representatives, the Senate and House of Representatives of the Australian parliament, the House of Representatives of Trinidad and Tobago, the National Assembly of Basutoland, the House of Representatives of Ceylon and the National Assembly of Kenya.

I know hon. members will want me to reply expressing our thanks to our colleagues in the commonwealth legislatures for their generous communications.

Some hon. Members: Hear, hear.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MRS. ARTHUR MEIGHEN

Mr. Speaker: May I be permitted to bring to the attention of hon. members the presence in the Speaker's gallery of the wife of the late distinguished prime minister of Canada, Mrs. Arthur Meighen.

Some hon. Members: Hear, hear.

[*Translation*]

PRIVILEGE

MR. GRÉGOIRE—REQUEST THAT RECORDS SHOW MOTION ADOPTED ON DIVISION

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I rise on a question of privilege with regard to the accuracy of the *Votes and Proceedings* of this house, and I do so both in my interest and in the interest of all members of this house.

Yesterday, Mr. Speaker, a motion for the presentation of an Address to Her Most Excellent Majesty Elizabeth II was agreed to. That motion was passed by the House of Commons, but only on division, as I shall indicate in a few minutes. The fact that the motion was passed on division is not mentioned at all in the *Votes and Proceedings* of the Canadian House of Commons for its sitting of Wednesday, June 28, 1967, that is yesterday. And that is the correction I want to be made in the *Votes and Proceedings.*

• (2:40 p.m.)

Yesterday, Mr. Speaker, at the end of my remarks on this motion, as indicated in the last paragraph, I said:

> But as far as this motion is concerned, Mr. Speaker, if it is carried, I ask that it be on division.

Further on, the following words appear:

> Motion agreed to.
> Mr. Grégoire: On division.

Therefore, it is clear, and clearly stated in *Hansard*, Mr. Speaker.

Further, in the same text I had indicated a couple of times my objection to the motion. For instance, I said, as reported on page 2061 of *Hansard,* and I quote.

> If it is agreed to, I would like the words "on division" mentioned—

Further on I again stated:

> However, when the motion is presented and the words "on division" are mentioned, I beg Her Majesty the Queen of England to believe that I have nothing against her personally; on the contrary. I wish her a pleasant stay in Canada.

Now, Mr. Speaker, there is a quantity of precedents showing that when a motion is passed on division it must be mentioned in the *Votes and Proceedings.* I have some examples here taken during this second session of the 27th parliament.

On page 71 of the *Votes and Proceedings* of May 25, 1967, we can read the following:

> On motion of Mr. Pennell, seconded by Mr. Trudeau, it was ordered, on division—that—

The words "on division" are mentioned. Why? Because we see on page 551 of *Hansard* of this year, and I quote:

> Mr. Speaker: Is it the pleasure of the house to adopt the motion?
> Mr. Herridge: No.

Therefore, the hon. member for Kootenay West (Mr. Herridge) was the only one on that occasion to say "no" and the words "on division" were mentioned in the *Votes and Proceedings*. That is a precedent.

Therefore, knowing the hon. member for Kootenay West as I do and since his dissenting voice was registered in the *Votes and Proceedings*, when he was the only one to oppose the passing of a motion, I am sure that he will support my request to the effect that my opinion or my point of view should also be mentioned in yesterday's *Votes and Proceedings*.

I could also refer to the *Votes and Proceedings* of the sittting on Wednesday, June 7, and I quote:

> After debate, the said report was concurred in, on division—

because an hon. member had mentioned "on division", as indicated in *Hansard*.

Another precedent can also be found in the *Votes and Proceedings* of Thursday, June 8, 1967, as well as in those of Friday, June 16, where the words "agreed to on division" or "passed on division" are again mentioned.

During the sitting of June 20 last, the hon. member for Winnipeg South Centre (Mr. Churchill) was the only member to oppose a motion moved by the hon. member for Rivière-du-Loup-Témiscouata (Mr. Gendron), as reported on page 1711 of *Hansard*, and I quote:

> Mr. Speaker: Is it the pleasure of the house to adopt the said motion?
> Mr. Churchill: On division.

Now, the *Votes and Proceedings* for the same day indicated that the motion was carried on division.

Mr. Speaker, since the hon. members for Winnipeg South Centre and Kootenay West had the benefit of having their dissent recorded in the *Votes and Proceedings*, I should like to ask for the same privilege, the same right, with regard to the dissent I recorded yesterday to the motion, namely that a correction be made to yesterday's *Votes and Proceedings*, so as to show that the said motion was passed on division.

There are also other precedents, Mr. Speaker. If we refer to the standing orders of the house, we find that there is no specific section in the standing orders of the House of Commons of Canada, and reference must be made to the standing orders of the house of commons in London. Now, Mr. Speaker, it can be seen that in the British parliament, the mother of parliaments, where first appeared parliamentary life as we know it today, there are currently independent members from Scotland and Wales, and their rights and privileges are respected in fact, everyone makes it a point to respect them.

Well, that is a precedent that must be of considerable import for all those who, like me, have faith and believe in British parliamentary institutions.

Now, in closing, I should like to say that it was the opinion of all to vote an address yesterday. That is stated in the *Votes and Proceedings*, it is the opinion of all. But my own opinion, to the effect that it was passed on division has not been mentioned. To my mind, this must be corrected. Therefore, I ask you to see to it that this correction is made. The Speaker of the House of Commons, whether here or in London, is first and foremost the protector of the rights of the members and particularly of the minorities.

If there is a weak minority, a small minority in this house, Mr. Speaker, it is surely the member for Lapointe, because I am the only one who thinks in this way, and proof of this is that I was the only one to call "on division". In the circumstances, being the weakest of all minorities in this house, I ask you, Mr. Speaker, to perform your duty towards me, to protect my rights and privileges, and to insert in the Address and in the *Votes and Proceedings* that this motion was passed on division. If you want my name to be recorded, Mr. Speaker, I have no objection.

Mr. Speaker: The hon. member raises an interesting point of procedure and I can assure him that I will not fail to consider it. I have taken due note of his suggestions. He suggests that this dissent, the fact that he objected yesterday to the motion introduced must be recorded in the *Votes and Proceedings*. He is requesting that this be done also with regard to the Address. In my opinion, there is no question of recording as an appendix to a resolution passed by this house the dissent or the refusal of an hon. member, even of a minority group of hon. members. The hon. member might have a point which deserves to be considered as far as the *Votes and Proceedings* of the House of Commons are concerned, and again I assure him that I will be pleased to study the suggestion he has just made.

Mr. Grégoire: May I take it, Mr. Speaker, that this will be reported in today's *Votes and Proceedings*?

Mr. Speaker: The hon. member can only conclude that his representations will be considered.

[*English*]

JUSTICE AND LEGAL AFFAIRS

Second report of standing committee on justice and legal affairs—Mr. Cameron (High Park).

BUSINESS OF THE HOUSE

REARRANGEMENT OF PREVIOUSLY ANNOUNCED ORDER OF BUSINESS

Mr. MacEachen: Mr. Speaker, I would like to advise the house of a rearrangement in the business for the next two days in an endeavour to meet the convenience of a number of hon. members.

We shall begin today with the estimates of the Department of National Revenue, as was previously indicated. If these are completed we will then take the estimates of the Department of Public Works, except in the eventuality that the estimates of the Department of National Revenue are completed early in the afternoon, in which case we will take the estimates of the Department of National Defence until the end of the afternoon sitting and then go on with the estimates of the Department of Public Works.

Tomorrow, Mr. Speaker, we will begin with the estimates of the Department of Trade and Commerce, a course which I think will meet with the agreement of hon. members in view of the statement that will be made tonight by the Minister of Trade and Commerce. On Tuesday we will continue with the estimates of the Department of Public Works.

FINANCE

MEASURE TO REPLACE EXISTING CUSTOMS TARIFFS

Mr. Steven Otto (York East) moved for leave to introduce Bill No. C-144, respecting customs tariffs.

Some hon. Members: Explain.

Mr. Otto: Mr. Speaker, I am always apprehensive about introducing a bill which contains a very radical idea. I have learned that reform should be undertaken by very gentle measures. However, this bill introduces a new concept of export-import parity in place of the old idea of tariff control. In my usual style it would repeal all the old act and replace it with a brand new measure.

The purpose of the bill is to do away with tariffs as a punitive measure to restrain the importation of goods into Canada. Instead the bill introduces a system by which the amounts formerly paid to the government by importers by way of penalty will be directed to Canadian exporters as an incentive.

In dealing with Canada's balance of trade with other nations this bill discards the old assumptions that the sale of natural resources could validly be considered as part of a favourable balance of trade on the part of Canada, and adopts a new proposition that if Canada is to maintain a trade balance with other nations it must be done on the basis of equating dollar labour contents of goods imported with the dollar labour content of goods exported.

Motion agreed to and bill read first time.

BUSINESS OF THE HOUSE

SUSPENSION OF SITTING TO ENABLE MEMBERS TO GREET HER MAJESTY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister, and I do not think there will be any division in this regard even on behalf of petty puppets who try to use parliament for their own purposes.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Would the Prime Minister agree that the opportunity should be given members of this House of Commons to be present this afternoon at the arrival of Her Majesty the Queen and Prince Philip? I think this would be a very proper step to take, and one which should receive general support.

Some hon. Members: Hear, hear.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I appreciate the suggestion made by my right hon. friend, which also was made yesterday by my hon. friend from Red Deer.

I looked into the matter this morning, and I find that an invitation to be present at the arrival of Her Majesty the Queen was sent to hon. members. They were asked to reply stating whether they would be able to do so and, in the event that they were, they would be sent tickets and accommodation would be reserved for them at the airport.

Inquiries of the Ministry

The replies indicated, Mr. Speaker, that there would be a great many members left to carry on the business of the house. I shall be glad, however, to see whether we can give some further consideration within the next few minutes to the suggestion made by the right hon. gentleman. I know it is important also that we get on with the business of the house, but it might be possible to combine the suspension of our sittings on this occasion with the addition of an hour or so later on so we would not lose any time.

[*Later:*]

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the government house leader. I refer to the announcement he made earlier that after the orders of the day we will proceed with the estimates of the Department of National Revenue, followed by those of the Department of National Defence. Some hon. members who are interested in participating in the discussion of the estimates of the Department of National Defence have planned to go to the airport to meet Her Majesty the Queen and the Duke of Edinburgh. I am sure even the Minister of National Defence plans to do likewise. In order that hon. members who wish to speak on this topic will not be deprived of the opportunity to do so, would the house leader consider calling the estimates of another department?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I appreciate the point made by the hon. gentleman and will be glad, if the estimates of the Department of National Revenue are passed, to call the estimates of another department after I have had a word with the other house leaders.

Mr. Starr: Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. I wonder whether the Prime Minister would consider, instead of going on with the estimates of another department, adjourning the house so that everyone will be given an opportunity to meet Her Majesty the Queen on her arrival at the airport.

Mr. Pearson: Mr. Speaker, I should like to suggest that we take some time off tomorrow. My hon. friend the government house leader will discuss this matter with the house leaders of the other parties. Then hon. members will be able to take part in the ceremonies in front of the parliament buildings. They would be finished around four o'clock, I think, and we could then start again and perhaps continue for an extra hour.

I feel it would perhaps be desirable to recess this afternoon, say at 4.30, so those hon. members who wish to go out to the airport may do so, on condition that we work later tonight on our return to the house. But in the rearrangement of our work we should not forgo private members' hour. Four thirty might be a little too late; we had better make it four o'clock.

Some hon. Members: Hear, hear.

Mr. Pearson: We could adjourn from four o'clock to seven o'clock.

Some hon. Members: Agreed.

Mr. Speaker: Order. The suggestion made is that the house suspend its sitting from four o'clock until seven o'clock and resume at seven o'clock. Is it understood that from seven o'clock to eight o'clock tonight will be private members' hour?

Some hon. Members: Agreed.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have a supplementary question for the Prime Minister. Would the Prime Minister not consider giving up private members' hour tonight and holding it over until later? I expect little will be accomplished in that hour this evening anyway?

Mr. Pearson: I think we ought to keep private members' hour today. There is a bill we would like to have looked at during that hour. If we could dispose of that bill in say half an hour we could then go on with public business.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

UNITED NATIONS

MIDDLE EAST—INQUIRIES AND STATEMENTS ON PRESENT POSITION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the other question I have for the Prime Minister has to do with the suggestion made a couple of days ago that there might be the possibility of a discussion between King Hussein and the Prime Minister particularly with reference to the position of the Arab refugees. Is it possible that such a meeting might take place? If

not, would the Prime Minister give more particulars than the generalities we have had to date concerning the extent to which Canada is prepared to accept refugees?

Second, because King Hussein is king of that portion of Jerusalem which has now been taken over by Israel administratively and municipally, will the Prime Minister say whether Canada supports the stand taken by Israel that the entire city of Jerusalem should fall under the jurisdiction of Israel, a claim which I think is reasonable under all the circumstances.

Right Hon. L. B. Pearson (Prime Minister): I think there are three questions with which I have been asked to deal. The first concerns a possible discussion with King Hussein, who is in the United States at the present time, and who I understand is leaving for his homeland tomorrow evening. It has been impossible to arrange a meeting between King Hussein, myself and the Secretary of State for External Affairs, who are in Ottawa. However, our ambassador to the United Nations has seen the ambassador from Jordan in New York and will be seeing King Hussein himself tomorrow in New York to talk with him, on behalf on the government, before he returns to Jordan.

So far as the question of refugees is concerned, I can only reiterate what I have already indicated; that is, Canada is willing to play her full part in any international effort to liquidate this problem, which consists of more than one aspect. I cannot be definite with regard to the number of people we would be willing to accept into Canada as part of a United Nations scheme until discussions have proceeded much farther than they have at the present time.

So far as the situation in respect of Jerusalem is concerned, this is a matter which also, as I have said, is under consideration. Our view has been made quite clear that there should be some international control and supervision of the holy places in Jerusalem. We would certainly regret any unilateral action taken by Israel or anyone else which would make this difficult, let alone impossible.

Mr. T. C. Douglas (Burnaby-Coquitlam): I have a supplementary question, Mr. Speaker. In view of the fact that the assistance being given to refugees by UNRWA is temporary and cannot do more than keep them alive, which is what has been done during the last 19 years, is any initiative being taken by Canada at the United Nations to see whether it is possible for that body to undertake a program for placing these refugees? This would involve not only Israel and Arab countries accepting a proportion of them, but also the United Nations contributing a substantial capital sum to compensate these countries for accepting these refugees.

Mr. Pearson: Mr. Speaker, this is exactly the matter which is being discussed and which indeed has often been discussed in the last ten or 15 years. The hon. member's remarks underline that the problem is threefold, the solution to which Israel, the Arab states and the outside world will have to contribute. It is on that basis that we have approached the matter in New York with other nations.

NORTHERN AFFAIRS

ALASKA HIGHWAY—CONSULTATIONS RESPECTING RECONSTRUCTION AND COMPLETION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. I should like to ask whether any approach has been made to the Canadian government by the government of the United States, or whether there has been any consultation in recent months between these two governments, regarding the reconstruction and completion of the Alaska highway. I ask this question now because of a bill which was introduced yesterday in the United States Senate which would authorize the United States government to pay half the cost of paving and rebuilding that part of the highway not yet completed.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I did not receive notice of this question so I can only speak from memory. I do not believe there have been any recent consultations or initiatives taken as far as we are concerned, but I will be glad to look into this matter.

[*Later:*]

Mr. Martin (Essex East): Mr. Speaker, may I say by way of supplementary answer to the question asked by the hon. member for Red Deer that at the recent meeting between Canadian and United States ministers the question of the Alaska highway was discussed. I have not had a chance as yet to examine the record in this regard, so I was not aware of this, but my colleague the Minister of Finance has just informed me of this fact.

Inquiries of the Ministry

TELEVISION

TORONTO, ONT.—REPORTED APPROVAL OF ADDITIONAL OUTLET

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the right hon. Prime Minister. A few moments ago it was brought to my attention that the B.B.G. has given approval to the moving of the Barrie television station to metropolitan Toronto. I should like to ask the right hon. gentleman, would the government or the cabinet not just rubberstamp this approval but consider all the aspects and implications of this move to residents of metropolitan Toronto.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, my hon. friend knows of course that the Board of Broadcast Governors is the agency which makes decisions in respect of these matters according to the law, and it would be a very serious matter for the government to interfere with a decision of that board.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister why it was that the cabinet did interfere on a previous occasion. Was it because the proper people were not receiving the licence?

Mr. Speaker: Order, please.

Mr. Pearson: I am reminded that this fact merely underlines what I have said.

Mr. Speaker: Order, please.

Mr. Diefenbaker: That was the only time it was ever done. You did it, and it was not proper then.

Mr. Speaker: Order, please.

EXTERNAL AFFAIRS

VIET NAM—PROPOSED CHILDREN'S REHABILITATION CENTRE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs, regarding the attempt of Dr. Gingras to establish a children's rehabilitation centre in South Viet Nam. In view of the fact that the Canadian government has offered to provide facilities to the government of South Viet Nam, and that so far this offer has not been accepted, is the government of South Viet Nam now offering to provide these facilities and, if not, has any reason been given?

Hon. Paul Martin (Secretary of State for External Affairs): I had a talk with Dr. Gingras about a month ago regarding the question of the proposed rehabilitation centre for South Viet Nam. We have also had discussions with the Red Cross with respect to Canadian assistance in this area. This body has not yet found it possible to take final decisions.

We have accepted a proposal of Dr. Gingras that a doctor named by him should proceed to South Viet Nam to examine the matter further. Our own doctor, Dr. Vennema, has proposed consideration of a children's rehabilitation centre outside Saigon. It may be possible to do this, but we are waiting for a report.

Mr. Douglas: A supplementary question, Mr. Speaker. Is the apparent reluctance on the part of the government of South Viet Nam due to the fact, as the minister's parliamentary secretary suggested some time ago, that the government of South Viet Nam is insisting that this be a military hospital rather than a rehabilitation centre for disabled children?

Mr. Martin (Essex East): Mr. Speaker, I have not seen what the parliamentary secretary said in that regard. I hope my hon. friend is not seeking to get me to say something that would appear to be contradicting what the parliamentary secretary said. I would prefer simply to say that I believe the proposal recently made by Dr. Gingras for an examination of this question further by a doctor to be named by him is perhaps the most practical way of trying to resolve the problem.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a supplementary question for the minister. Has the government given consideration to using a specially outfitted hospital ship for this purpose, which could get there in a hurry and move from place to place?

Mr. Martin (Essex East): Yes, Mr. Speaker, the government has given consideration to that and has concluded it would not be a practical way of meeting the problem.

Mr. David MacDonald (Prince): Mr. Speaker, can the Secretary of State for External Affairs tell us if this doctor representing Dr. Gingras, and presumably the Canadian government, will himself be making representations to the government of South

Viet Nam, or has the government of Canada made representations to the government of South Viet Nam through the government of the United States?

Mr. Martin (Essex East): The government of the United States, of course, has nothing to do with this particular problem. The doctor in question will be seeing our representatives in Saigon. He will make whatever representations are needed.

AGRICULTURE

NOVA SCOTIA—REPORT ON DEVELOPMENT OF NORTHERN COUNTIES

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, in view of the reference to this matter by the Minister of Energy, Mines and Resources during our discussion of recent legislation I wish to direct this question to the Minister of Forestry and Rural Development. Has the government yet completed its study of the report of the task force on the nine northern counties of Nova Scotia and, if so, when does the minister or the government expect to take some action in this regard?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, the report of this task force has been ready for a couple of months. It has been studied by the government of Nova Scotia and we are to have a meeting later in July to discuss the implementation of the task force report.

MR. JUSTICE LANDREVILLE

INQUIRY AS TO RECEIPT OF PENSION UNDER JUDGES ACT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Justice. The purpose of the question is to seek clarification of statements made yesterday during an exchange between the minister and the hon. member for Bow River. Is Mr. Leo Landreville now in receipt of a pension under the Judges Act?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, the answer to that question is no.

CANADIAN NATIONAL RAILWAYS

SASKATCHEWAN—REPORTED SHORTAGE OF BOX CARS

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, perhaps this question should be addressed to the Minister of Transport, but in his absence may I address it to the Minister of Finance who reports to the house for the Canadian Wheat Board. I have a telegram from an elevator agent who reports that his elevator at Nokomis, Saskatchewan, is filled with wheat and there are no box cars available for shipments to make room for grain still on farms. Will the minister make inquiries into the complaint that there is a great shortage of grain cars on C.N.R. lines?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I should just like to point out to the hon. member that the wheat board is now in the capable hands of the Minister of Trade and Commerce.

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I do not accept the question on that basis, but I will take it as notice.

INDIAN AFFAIRS

INQUIRY AS TO ESTABLISHMENT OF CLAIMS COMMISSION

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Has the minister any further word for the house on when we may expect the long promised Indian claims commission to be set up?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, I had hoped to have some information from British Columbia. They asked us to postpone the introduction of this measure until such time as they had had a discussion on the land question in British Columbia. I have received no information yet. But I think we shall have to make up our minds very quickly whether we are going to wait much longer before giving some indication of introducing the Indian claims commission legislation.

[*Translation*]

CANADIAN CENTENNIAL

ISSUE OF MEDALLIONS TO SCHOOL CHILDREN

On the orders of the day:

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, the hon. member for Beauharnois-Salaberry (Mr. Laniel) asked yesterday what measures the centennial commission intended to take so that all Quebec school children would receive the centennial medallion by July 1.

Inquiries of the Ministry

I am advised by the centennial commission that the province of Quebec had asked and received medallions in sufficient quantities for distribution to all schools. The centennial service of the province of Quebec, according to the instructions of the department of education has sent a letter to all the regional and local school boards and independent schools, with an application form.

Out of the 2,049 institutions contacted, 1,524 had answered by June 19, by filling out the form, and the centennial service had shipped 1,467,410 medals. The centennial service is prepared to satisfy all new requests from school boards and independent schools which have not yet made their intention known. If the stock of medallions on hand in the Quebec centennial service is insufficient, the commission has undertaken to make up the difference.

[*English*]

UNITED NATIONS

INCLUSION OF MAINLAND CHINA IN NUCLEAR DISARMAMENT DISCUSSIONS

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the almost imminent agreement between the United States and the Soviet union on the proposals to be laid before the 18-member nuclear disarmament conference, is the government of Canada now giving consideration to advocating the inclusion of mainland China in further discussions on this very important matter?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, it has always been the view of the government that mainland China should participate in international disarmament discussions. When it was proposed a year and a half ago that there should be a world disarmament conference, Canada repeatedly suggested that mainland China should be invited.

Mr. MacDonald (Prince): I have a supplementary question, Mr. Speaker, I should like the minister to say whether or not the government is giving consideration now to advocating the inclusion of China in the present discussions taking place at Geneva.

Mr. Martin (Essex East): As we and other governments have made known, notably the governments of Britain and the United States, we would hope that not only the countries participating in the 18-power meeting but also all countries including China and other countries having a nuclear capacity would join in adhering to the non-proliferation agreement which we hope will be agreed to at the 18-power meeting.

INDUSTRY

BRITISH COLUMBIA—INFORMATION RESPECTING DEPARTMENTAL ACTIVITIES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the acting minister of industry, and I have just discovered who he is.

Mr. Knowles: The minister himself is here.

Mr. Herridge: I did not notice the minister coming in. I ask this question at the request of a number of chambers of commerce and other persons interested in the development of industry in the interior of British Columbia. While I fully appreciate the personal efforts of the Minister of Industry to inform people of the role of his department, would he take advantage of the first opportunity to advise the house of his policy with respect to officials of his department informing chambers of commerce and other groups of the role of his department and particularly of the operation of the Area Development Incentives Act?

Mr. Speaker: The hon. member is suggesting that the minister make a statement, but this can only be done on motions.

Mr. Herridge: Mr. Speaker, with all respect, if the minister does not wish to make a statement now could he revert to motions later and do so at that time?

FISHERIES

BRITISH COLUMBIA—ACCIDENTAL ADDITION OF ARSENIC COMPOUND TO WATER

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Fisheries. Can he give the house any information on the reported intrusion into the waters of Teakerne Arm on the west coast of 19 barrels of an arsenic compound and indicate what results this has had on the salmon and shellfish operations in that area?

Mr. Speaker: Order. I doubt that this is the type of question that can be asked at the moment. I feel that this also is information which could be given by the minister on motions.

FINANCE

STATEMENT RESPECTING DISTRIBUTION OF 1967 COINS

On the orders of the day:

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, during my absence in Montreal last week the hon. member for Okanagan Boundary asked about the distribution of centennial coins in western Canada. Coinage demands are made on the Royal Canadian Mint through the Bank of Canada by the various chartered banks across the nation. These demands normally are based on the commercial coinage requirements in the various areas. I am advised that during the first five months of this year, issues of 1967 centennial coinage by the mint were 42 per cent larger than in the corresponding period of last year. Shipments of the new coinage to western Canada also show a substantial increase which is not far short of the national average.

Mr. D. V. Pugh (Okanagan Boundary): I have a supplementary question for the Minister of Finance. Was his reference to shipments from the mint only in respect of actual demands from Canadian banks or are collectors' demands here and in the United States also included?

Mr. Sharp: Mr. Speaker, the short answer is that these shipments are for commercial coinage purposes.

Mr. Pugh: Mr. Speaker, I should like to put a further question to the Minister of Finance with regard to the use of centennial coinage in Canada. The minister gave me an answer with regard to regular commercial deliveries from the mint. I should like to draw his attention to the fact that this is new coinage as against old coinage. I wonder whether he has figures which would indicate not the newly minted coinage but the new centennial coinage as against coinage issued in other years?

Mr. Speaker: Order, please. I think we have gone as far as possible with this type of question. The hon. member has asked two supplementary questions and it seems to me the type of information for which he is asking in his second or third supplementary is perhaps a little too statistical in nature.

Mr. Pugh: Mr. Speaker, may I say with deference that it has been pointed out over the last number of weeks that the issuing of new coinage as a centennial project is not being fulfilled. It is all very well to say that just as much as possible is being shipped to the west but the fact remains there is no centennial issue coinage in the west, and July 1 is imminent. This is why there is some urgency in my question.

Mr. Speaker: Order. The hon. member is making a representation. This is no longer a question.

AGRICULTURE

ONTARIO—ASSISTANCE TO FARMERS IN HOLLAND MARSH AREA

On the orders of the day:

Mr. J. E. Madill (Dufferin-Simcoe): Mr. Speaker, my question is for the Minister of Agriculture but in his absence I will address it to the Minister of Forestry and Rural Development. Owing to the excessive rainfall during the past month resulting in severe crop damage and in some cases total loss, is the government considering a survey and assistance program for the farmers and also for the market gardeners in the Holland marsh area in Ontario?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, I should like to take this question as notice.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

The Chairman: Order. House again in committee of supply, estimates of the Department of National Revenue for the fiscal year ending March 31, 1968, Vote No. 1. Vote No. 1 will be found on page 370 of the blue book and the details are listed on page 371.

DEPARTMENT OF NATIONAL REVENUE

1. General administration, operation and maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from firms and individuals requiring special services, $59,720,000.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, these estimates have been considered in some detail in committee at which time I made a lengthy statement with regard to both the customs and excise and taxation divisions of my department. I do not wish to repeat in committee of supply the statement I made at that time but simply to point out two important changes which have taken place in the department in the last year. First of all, to provide better service to the public we will be setting up six

regional offices of the customs and excise division over a period of two years. I believe the last one will be set up in late 1968. This will be done in order that rulings with regard to customs and excise may be more readily available to the importer and taxpayer.

One of the important changes which has taken place in the taxation division of the department in the past year is the reorganization of the head office. Formerly there was a deputy minister and only one assistant deputy minister. After consultation with the methods officials of the Public Service Commission it was decided the establishment would be changed to one deputy minister and three assistant deputy ministers. This change has been progressing and the department is now in the process of completing the reorganization. When this is done the taxation division will then contemplate some reorganization at the district taxation office level.

• (3:20 p.m.)

I should also mention, since the income tax appeal board item appears under my estimates, that the work load of the tax appeal board has been growing over the years, not because more people percentagewise are objecting to their tax assessments but because the number of taxpayers is growing. It is anticipated that the board will be asking for an increase in its membership some time later this year.

I should like to congratulate all of the officers in my department for the fine work they have done. I should point out that on the taxation side the cost of collecting $100 has consistently diminished over the years, from a high of $2.06 per $100 collected in 1950 down to the present day when it costs 85 cents for all administrative and other expenses to collect $100.

I would be most pleased to answer any questions that members may have on the various items in my estimates.

Mr. Lambert: Mr. Chairman, as the minister indicated, these estimates have been before the finance, trade and economic affairs committee where a number of questions were asked. It is unfortunate that we do not have the transcripts of the proceedings available to hon. members as this may bring forth some superfluous questions which have already been asked and answered in the standing committee.

I think that this could be an object lesson for the house leader in so far as his plan to rush through the estimates is concerned. If the idea is that estimates shall continue to be sent to the committees for examination, then they must not be brought back before the house until the administrative processes have had an opportunity to put into the hands of all hon. members the transcripts of the proceedings before those committees. Otherwise we are faced here with an exercise in frustration. Even those of us who are members of the committee cannot attend all sessions which are held, and we cannot be expected to remember all of the questions asked and the answers given. So the proceedings here are either a sort of gentle waltz or the other kind of waltz, in which case we will have a repetition of what has happened today.

I trust that the Minister of National Revenue will emphasize to his colleague the Minister of National Health and Welfare, who at the moment is otherwise occupied with other matters, that this is a fundamental point. Unless the transcripts of proceedings before committees which have examined estimates are put into the hands of members—I appreciate there is an obvious time lag because of administrative requirements—it is complete nonsense to call the estimates of a department for consideration by the committee of supply. We just waste our time.

Having said that, Mr. Chairman, and without emphasizing it further, there are some questions I should like to ask the minister with regard to customs and excise and the proposed reorganization of the department in terms of decentralization. The minister indicated that there are to be six regions, 22 customs districts and 35 excise tax districts. First of all, I would appreciate knowing what these regions are and where the regional headquarters will be situated. If I hear the rumour rightly, Regina is being considered for western Canada. Without downgrading the city represented by my colleague from Regina City, I feel that administratively for customs and sales tax purposes Regina is one of our smaller centres and that in actual fact we could deal with Ottawa just as quickly as we could with Regina. As a matter of fact, I think Ottawa can be reached by mail just as quickly as Regina. Therefore I am wondering whether this move really makes sense. As I say, I do not want to downgrade Regina, but from the point of view of volume of business Regina is not one of our leading centres compared with Winnipeg, Calgary or Edmonton.

In the matter of customs districts, there again I should like to know where the headquarters of these customs districts will be located. Rumour has it that Calgary may be

chosen over Edmonton for the province of Alberta. I believe the figures will show that the volume of business in Edmonton vis-à-vis customs and sales tax is greater than in Calgary. So why choose a city of lesser population and business volume as the district headquarters? There is very definitely a much greater population in the north central part of the province than in the south central portion. So why has Calgary been picked over Edmonton? Perhaps this is a local consideration, but I am sure that the same situation will be found elsewhere. Since these changes are being made I think the minister should tell us what is proposed to be done and the reason it is being done.

That is all I should like to say about customs and excise at this time. The questions I have asked have been answered to my satisfaction, but I am sure there are a number of my colleagues who want to question the minister about customs and excise matters. For reasons of continuity I will leave my remarks on the taxation division until we reach that point in the estimates.

Mr. Benson: Mr. Chairman, I would be pleased to deal with the questions raised by my hon. friend. First of all, with respect to the customs and excise regional offices that are being established, the first one was established in London, Ontario. They are being established in certain locations not because of the volume of business in a particular area but rather because the place in question is a central point where contact with the rest of the area can best be made. There will be another one established in Vancouver, one for the prairie region in Regina, one in Toronto, one in Montreal with a sub-office in Quebec city, and one in Halifax for the maritimes.

With regard to the 22 district offices, I can give my friend the names if he wishes in a moment or two. Again these are locations which are close to a fairly large number of ports—importation points—and have not been chosen because of the volume of business in the particular area. The anticipated system of operation is that the ports will be in touch with the district office, and the district office with the regional office. This is why they are located in specific areas.

The officials in my department carefully studied the western provinces, about which my hon. friend was most concerned, before coming to the conclusion that the regional office should be established in Regina. I point out that this does not take anything away from any other port. We are really trying to establish these offices as sub-offices of the main Ottawa office so that information is closer at hand to those in a particular area. That is the sole purpose of these offices. It does not mean that we shall take people from Edmonton, for example, because we are establishing an office in Regina. The people in the Regina regional office will be head officer personnel, capable of giving information on the spot to those involved with them.

• (3:30 p.m.)

We entered into this operation after a test run of about one year's duration at London, Ontario. We found that the test worked successfully. We are pleased, and I believe the people in that part of Ontario are pleased, with the improved service that has come about because the regional office was established.

Mr. Lambert: May I ask a supplementary question? I do not know what the attraction is in London, Ontario—perhaps it is the United States border—but can the principle that applies to the London office be applied to offices in western Canada? The whole of the northwest operates out of and through Edmonton, Alberta. I am wondering whether there is to be a difference in opportunity for contact. That was the point I was concerned about. What about the northern points? Must they report to Calgary? While the principle may have applied to London, Ontario, I feel that it need not necessarily apply elsewhere. This is not like saying that what is good for General Motors is good for the United States and what is good for London, Ontario, is good for western Canada. That is not the point when it comes to communications. With regard to Edmonton and Calgary, it is just as easy to reach either centre by flying from Winnipeg or taking a train from Winnipeg or driving. The distances from Winnipeg are practically the same. I am wondering what principle should apply with regard to the district offices. If there is any downgrading, is it not true that a senior collector, say, from Edmonton will be transferred to Vancouver and that a junior collector from a lower level will be brought to Edmonton?

Mr. Benson: Mr. Chairman, the criteria used by my department and its officials in choosing locations of offices were, first, that offices should be geographically central for a particular area. The Regina office, for example will also cover the whole of the prairie provinces. Second, communications were considered and the fact that a centre containing

an office might be a provincial capital, because there is communication between provincial governments and my officials fairly consistently. Another criterion was the availability of accommodation. I think that people sometimes overemphasize the importance of a city having a regional office. The number of employees will not be great.

My hon. friend also mentioned the matter of travelling from northern Canada to the regional office in Regina. The idea is not to make taxpayers travel to Regina to be in touch with the regional office; rather, what needs to be done will be done through the local port which will then refer to the district office.

Mr. Lambert: My question really was with respect to the district offices.

Mr. Benson: The district offices will be in touch with the regional office. Our people from the regional office will, when necessary, travel to the district offices.

Mr. Lambert: Can the minister say where these district offices are to be?

Mr. Benson: I can indicate the present intention. We have not established those offices but I can tell the hon. member where it is intended to establish them. As I say, they have not been established yet except in Ontario. In that province they operate at Fort Erie, Hamilton, London, Niagara Falls, Sarnia and Windsor. The proposal for British Columbia is that they be established at Pacific Highway, Vancouver and Victoria. To cover north central Ontario, coming under the Toronto office, they would be at Ottawa, Sault Ste. Marie and, of course, Toronto.

Under the Halifax regional office present thinking is that district offices will be at Halifax, Saint John and St. John's. In Quebec, under the Montreal office, will be Lacolle, Montreal, Quebec, and Sherbrooke. In the prairie provinces, under the Regina regional office, would be Calgary, Regina and Winnipeg. These are the present plans for the establishment of district offices. A final determination has not been made and I shall be pleased to hear representations from my hon. friend or anyone else until the final decision is made. Suggestions for the locations of district offices have come from officials in the department and are based on their studies of the clustering of ports and how those ports can be best serviced through a district office.

Mr. Winch: Mr. Chairman, with the indulgence of the committee may I ask the minister to give a detailed explantion about the principle of the matter I am about to raise. For a long time it has seemed to me that different departments of government have differed in interpreting various statutes with regard to whether a man is married or single. That may sound a strange statement but I submit it is true. While some departments of government maintain that a man is married, under certain circumstances the Department of National Revenue, even though a man has a wife and dependants, says that for income tax purposes he is single. How does this differentiation come about? Income tax is the heaviest burden a man must bear. Why should the income tax authorities say that a married man who has a wife and children to support is under some circumstances single?

May I give an example to illustrate my meaning. Let us take the instance of a man born in Canada who marries a girl from the United States who is a divorcee with two children from her previous marriage. She comes to Canada with the two children and lives with her husband in Vancouver. From that marriage is born a third child. The family now consists of the natural born Canadian husband, his wife, and three children. For various psychological and other reasons the home breaks up and the wife with her three children goes back to her home in the United States. Her Canadian born husband supports her and the children by sending $200 a month. He has complete records from the bank of the money he sends her. He loses his job, goes to the Unemployment Insurance Commission, maintains that he is married, and the commission says to him: "Of course you are married; you have a wife and three dependant children. You are unemployed and therefore you will receive the married rate." The income tax authorities, on the other hand, say: "Oh, no, you may have a wife and three children but for income tax purposes you are single." How in the name of heaven a man with a wife and three children can be single is beyond me.

• (3:40 p.m.)

I went into this matter and found that according to income tax law deduction of his payments would be allowed provided a certificate were forthcoming from a family court. But in the case I have in mind officials of the family court tell me that no such certificate can be given because the wife and the three children are in the United States. In the absence of a court order, however, the Department of National Revenue rules that a Canadian with a wife and three children, to

whom he is paying a regular amount each month, is not married despite the fact that there is ample proof of his married status. According to the unemployment insurance regulations he is married, but the income tax department says he is not.

Try to imagine what it means to a man in this position when he is treated by the revenue department as a single man. Did you ever see such a stupid position taken? Yet this is precisely the attitude taken in a case with which I am very familiar. Why do I know it so well? I have referred to the case of my eldest son. He is considered by the income tax authorities not to be married. But let no one try to tell me that my son is not married and does not have a wife and three dependants in the United States.

Mr. Benson: The answer is that the Income Tax Act does not determine whether a person is married or not; it indicates the circumstances in which a person is entitled to an exemption of $2,000 as having married status. That is what the act says.

If one is considering the position of a separated person, the act says that alimony or payments made in support of a family may be deducted when paid pursuant to a court order or a written separation agreement. This is the law as passed by parliament. It is the duty of my department not to make the law but to administer the law as this parliament in its wisdom has determined it should be.

Anyone who thinks that my department is not interpreting the law correctly has a right to appeal to the Tax Appeal Board, an independent body which sits all over the country. The appellant does not need to be represented by counsel. He can appear personally if he wishes and explain his case, and if the board decides that the department is acting improperly we are bound by its decision.

Mr. Winch: How can a person who is married and who has dependants be considered as not being married? How is it that under the unemployment insurance regulations he is considered to be married, while under income tax law he is not?

Mr. Benson: I would refer the hon. member to section 26(1)(a) of the Income Tax Act which sets out very clearly the circumstances in which a person is entitled to the $2,000 exemption in respect of married status. Incidentally, most of the information contained in that section is also given on the income tax form.

Mr. Hales: I have one or two brief observations to make concerning the estimates under discussion. The minister gave us some figures this afternoon in connection with the cost of collecting $100 of tax money and he told us that through the efforts of his department it had dropped from $2.06 to 85 cents. I give the hon. gentleman full credit for an efficiently run department. I have always felt that the Department of National Revenue was very efficiently run. But I think he was misleading the committee when he put forward those figures because a reduction in the cost of collection is brought about automatically as a result of the increased amounts of money we are collecting. In other words, instead of ten men collecting $1,000 the same ten men are collecting $2,000. The cost of collection is bound to go down. I did not want the minister to mislead the committee on that score, though I still give him full credit for running an efficient department.

Turning to another subject, I draw attention to the fact that the hon. gentleman's department is responsible for collecting Canada Pension Plan money. This brings me to the point I wish to make. As Minister of National Revenue he should collect all moneys which go to the federal government. He should be collecting unemployment insurance money, he should be collecting the Canada Pension Plan money, as he is now doing, he should be collecting any other moneys which are raised on behalf of the federal government. If this were the case, all the money would be going to one central place from which disbursements could then be made as necessary to the other departments. The result, I submit, would be greatly increased efficiency.

As things are now, businessmen find they must deal with various officials from different departments all of whom ask for the production of records and cause considerable duplication of effort. He must deal with inspectors interested in unemployment insurance payments, inspectors auditing his books in connection with Canada Pension Plan payments, inspectors who wish to examine payrolls and other records in connection with income tax. Why not get all these people together and make these audits in one operation?

Mr. Benson: I should like to make a slight correction. The Canada Pension Plan audit is done by officials in my department. They do the income tax audit as well.

Mr. Hales: I hope that is the case, but there is still the unemployment insurance question to deal with. Let us have one audit carried out at one time and get down to a business-like operation, which I am sure is what the minister wants.

I turn now to the money which is deducted in connection with the Canada Pension Plan. As hon. members know, overpayment of contributions by employees is taken into account and refunds are made. Employers, however, are not given any refund of overpayments they may have contributed. Many people find themselves in this category, for example, those who sit on county councils and are paid on a per diem basis. They are probably in business too, so they pay twice. I think also of people elected to city councils, of presidents of companies, and even of members of parliament who must often pay twice, here and at their place of business. Yet at the end of the year no refunds are made to employers although employees are given refunds when applicable.

The minister tells us from time to time that he and his officials have failed to devise a system whereby overpayments can be returned to employers. He says no refunds are made in the United States. But we are as smart as the people of the United States, if not smarter, and I see no reason for not coming up with a plan ahead of the United States. I refuse to accept that we are not smart enough to devise a scheme under which an employer would be credited with any overpayments made under the plan.

I feel keenly about this matter. It affects people in the construction business, in the restaurant business and particularly all those engaged in seasonal work. The fund has by now built up a balance of some $10 million or $12 million in overpayments, which is far from peanuts. It is up to the government to find a system whereby overpayments can be paid back to employers to whom they rightly belong.

Item agreed to.

• (3:50 p.m.)

Taxation—

5. General administration and district offices including recoverable expenditures on behalf of the Canada Pension Plan, $57,833,900.

Mr. Lambert: Mr. Chairman, I wish to make certain observations in connection with the Canada Pension Plan. While the estimates rightly set out those portions of the costs attributable to the Canada Pension Plan which are recovered by the Department of National Revenue, and so form an offset to the expenses of the department, we still have to consider the total cost of the Canada Pension Plan. The distributive costs are given in the estimates of the Department of National Health and Welfare. It would be helpful if full information were given in the estimates of either department by way of a summary of the total costs of the Canada Pension Plan. The minister has indicated that he is in agreement with this suggestion and I think it is important that it be done.

In the days when I was connected with this department the minister under whom I served had a tidy shop and the officials were very efficient administrators. At times difficulties were encountered with respect to sales tax or income tax in the interpretation or the issuing of regulations and bulletins to business. This has occurred and I believe it could have been avoided by more consultation with business. Last year instructions to business had to be withdrawn because they were not clear. More consultation would prevent such a situation occurring.

I am going to make one last plea to the minister that he should try to convince his colleague, the Minister of Finance, of the difficulties associated with terms payments for estate tax. This is a plea I have made year after year. My colleague from Wellington South has placed motions on the order paper dealing with this subject. As I say, it is an old problem and it is becoming more and more important that it be solved.

Possibly the provinces of British Columbia and Saskatchewan may follow Alberta's example in remitting 75 per cent of the estate tax paid. But where this is not done in other jurisdictions something should be introduced to alleviate the hardship. It is all right to fix the estate tax assessment within the six-month period and have the return filed, but it should not be necessary to make full payment of the tax within that six months.

The people with whom the minister is dealing are honest. They are not trying to escape payment. I have never been able to see the rationality of insisting on full payment of estate tax within the six-month period. A move should be made to do away with that limited method.

Mr. Thompson: Mr. Chairman, since it is just a couple of minutes before four o'clock and as there are several matters I wish to draw to the minister's attention, may I call it four o'clock?

The Chairman: Does the committee wish to rise now?

Some hon. Members: Agreed.

Progress reported.

BAIL REFORM

MEASURE TO PRECLUDE UNNECESSARY DETENTION

Mr. Jim McNulty (Lincoln): Mr. Speaker, may I have the unanimous consent of the house to revert to motions? It is for the purpose of sending a bill to the justice and legal affairs committee.

Mr. Deputy Speaker: Does the house give unanimous consent to revert to motions?

Some hon. Members: Agreed.

Mr. McNulty: By leave of the house, and with the consent of the hon. members for New Westminster (Mr. Mather) and Winnipeg North Centre (Mr. Knowles) I move, seconded by the hon. member for Hamilton East (Mr. Munro):

That the order for resuming debate on the motion for second reading of Bill C-4, "an act concerning reform of the bail system," and on the motion proposed in amendment thereto, being order 121 under the heading "Public Bills" on today's order paper be discharged and that the subject matter of the said bill be referred to the standing committee on justice and legal affairs.

Motion agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Comox-Alberni (Mr. Barnett), Fisheries—*Ocean Traveller*—chartering of vessel by research board; the hon. member for Prince (Mr. MacDonald), Transport—increase in ferry rates, New Brunswick-Prince Edward Island; the hon. member for Okanagan-Revelstoke (Mr. Johnston), External Affairs—reported invitation to visit South-West Africa.

Pursuant to an order of the house made this day this sitting stands suspended until seven o'clock.

SITTING SUSPENDED

Private Bills

SITTING RESUMED

The house resumed at 7 p.m.

PRIVATE BILLS

RAINBOW PIPE LINE CORPORATION

The house in committee on Bill No. C-105, to incorporate Rainbow Pipe Line Corporation—Mr. Orange—Mr. Batten in the chair.

On clause 1—*Incorporation.*

• (7:10 p.m.)

Mr. Peters: Mr. Chairman, this is a very interesting bill, as we said when it first came before us for consideration a year ago. Since the committee heard the evidence in respect of this measure we are doubly sure that we were right. We do not suggest there should not be a pipe line from the Rainbow Lake area to the refinery. All we are suggesting is that such a pipe line to carry these commodities should not be owned by three or four private oil companies.

This bill was referred to the transportation committee and, although I did not have the opportunity of attending its meetings, I have read the evidence which was made available only today. I am not even sure it was made available in the French language. Obviously there were questions in the minds of the members of that committee regarding the ownership of this pipe line. I should like to refer to some of these questions to indicate the general feeling of at least some hon. members. It is interesting that the chairman of that committee decided that this bill was of great interest, because when the hon. member for Acadia asked a number of questions, pointed out that the major companies holding interests in this proposed pipe line were United States owned, and said that Acquitaine was French owned, the chairman said:

Let us not get into that, Mr. Horner. Order, please. This is a private member's bill, Mr. Horner, as you know. Mr. Horner, you are getting out of line now. You are free to vote against it.

The hon. member for Acadia then said that he just might do that, to which the chairman replied that this was his prerogative. At that time the question was put to a vote, and to indicate how impartial the chairman was, let me tell hon. members of the committee that the hon. member for Acadia asked whether the chairman had voted and the chairman

indicated that he was just casting the deciding ballot. Before this company receives federal authority to enter into the pipe line transmission field it will have to answer satisfactorily some of the questions in the minds of hon. members.

At another point in this report there is an indication that the hon. member for Victoria (B.C.) asked a number of questions pertinent to this application and I think he stated the crux of the problem we have in mind. That hon. member asked whether this company was being established as a common carrier for the transmission of oil from the Rainbow field. He also asked the officials of the company to explain, if that was not the case, the purpose of setting up this company. Any hon. member who reads this committee report will find some very interesting information.

It appears from the evidence that three companies got together to develop this company. Someone also pointed out that there already is another provincially chartered company of the same name. The three companies involved are Imperial Oil which owns 33⅓ per cent, Mobil Oil which owns 33⅓ per cent, and Acquitaine which owns 30 per cent. The report then indicates that Banff Oil owns 3½ per cent. It was then asked whether Acquitaine had a controlling interest in Banff Oil and Mr. Barroll replied:

> My knowledge, sir, of the stock ownership of Banff Oil is such that I could not answer authoritatively.

This would indicate to me that probably only the three companies, rather than four, have the controlling interest in this proposed company. Surely the Minister of Finance should be interested in this fact and the statement made by the officials that the company is not primarily concerned with the transmission of oil but in the writing off of development costs against income tax. As stated by Mr. Barroll, the company is more interested in the possibility of expanding its revenue by increasing the volume of production than in increasing the price in the market place.

If one refers to page 6 of the committee report one will see that Mr. Bredin indicated that one of the reasons for the establishment of this company is so it can write off the costs of drilling and development against income with the ultimate objective of reducing the profits of the company and thereby reducing the tariffs. Mr. Bredin then said:

> We propose to operate this with a minimum of profit, and should there be some small profit it can be written off by doing drilling or exploration work and thus there will be no tax payable. That being so, you can ultimately lower your tariffs and the benefit of this will accrue to the producer. If you use your money to pay income tax you cannot lower your tariffs to the same extent as you can otherwise.

[Mr. Peters.]

The hon. member for Edmonton West has been here for some time and he has been interested in the activities of the public accounts committee. I have read some of his remarks as reported in this committee report which would indicate that he was surprised about the statement that if the company operated at a minimum of profit it could use the profits for drilling and exploration work and if it did not have to pay income tax it could reduce the costs to the producer. The hon. member for Edmonton West then said:

> • (7:20 p.m.)
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> I was interested in the logic that Mr. Bredin was using because frankly I find it the reverse of mine. If there are profits in a pipe line company against which it can charge development and exploration expenses it is to the benefit of the producer to be able to charge off those profits. Those profits of the pipe line are, of course, derived from carrying the producer's own crude as well as that of those on the market who come in under the common carrier. Therefore the profits are provided by your producing competitors as well as by yourself.
>
> Therefore, to say that you are going to have as low a rate as possible for your common carrier business for your competitors in the producing field is not quite in accord with the facts.

It is not only not in accordance with the facts but it certainly is not the free enterprise system. I would say that the officials of these two companies must be very poor businessmen to allow a third company to obtain an advantage. It is not too difficult to see which company will have the advantage. I think I am safe in saying it will be Imperial Oil. I assume that Imperial Oil owns Mobil Oil, which may or may not be the case. I have had some experience with the manipulations and machinations of Interprovincial Pipe Line Company, which was considered by parliament some time ago. This company is under the control of Imperial Oil in various ways, although not in respect of stock control. I found they were not in a position to lower the price of transportation of their oil product through the pipe line because, if they did, not only would Imperial Oil gain an advantage but so would their competition. Therefore they decided it was much better to adhere to the price allowed by the National Energy Board and at the same time make profits out of their holdings in the pipe line.

I agree entirely—and it is very seldom that we do—with the hon. member for Edmonton

West that the statements made by the representatives of this company were not only not correct but were probably dishonest, unless you allow for inability or incompetence on the part of the representatives of the company. Nor can I see in the other evidence presented by the representatives of the company any information that would lead anyone to reach the conclusion that because they had a method of writing off drilling expenses against income tax they would be able to pay more money to the producers if the company was acting as a common carrier in addition to carrying its own oil.

This is a very important pipe line. In this area Canada has made several very bad mistakes. At one time we had a pipe line from Norman Wells through the Quesnel area to the coast. It was installed during the war and was a very small line, it is true. It was sold for probably less than the scrap price of the pipe. Therefore it will be seen that over the years there has been some manipulation in this area. I think it is also safe to say that in this area there has been a great deal of exploration and development of the potential.

Hon. members from Alberta seem to think that oil is a commodity that we should dispose of on the international market as quickly as possible. I was very surprised to learn that the reserves, according to the official of this company, are sufficient for only 33 years at the current rate of production. We talk about conservation in other fields but the people reaping the benefits of the development that takes place in this area are acting in a very uncontrolled manner. Our children will find that their parents have wasted a great deal of money in respect of the natural resources in the area.

For this reason I urge the sponsor of this bill and those interested in the development of the area to make sure that the granting of this licence is not in effect a licence that will allow a monopoly to operate. I think everyone will agree that to put in two or three competitive pipe lines for long distance transmission is probably not in the interest of the oil companies nor the producers and neither is it in the national interest. There must be some other interest behind the seeking of a monopoly situation. Before we grant a licence to operate this kind of monopoly I believe we should see that this common carrier does the job it should do for the many oil producers in the area.

The committee dealt with many aspects of the bill. Most of the clauses are concerned with whether stocks should be split or transferred, whether the common stock should be changed to preferred stock, whether the preferred stock should be changed to common stock, and so on. We all know that a great many things can be done with stock. This raises an old problem with which we have dealt on many occasions. The question we should ask ourselves is, what does the company really want to do in this regard? They ask for the power to do a great many things. In the bill the company asks for the right to "purchase, lease or otherwise acquire and hold, develop, operate, maintain, control, lease, mortgage hypothecate create liens or other security upon, sell, convey or otherwise dispose of and turn to account any and all interprovincial, extra-provincial and/or international pipe lines and all appurtenances relative thereto for the gathering, processing, refining treating, transmitting, transporting, storing and delivering of any substances capable of being transmitted or transported by pipe line including, without limiting the generality of the foregoing," and so on. I do not understand how in thunder the company's powers can be limited if this bill is passed. The company seems to have covered about everything. Clause 6 also provides as follows:

> —transporting, storing and delivering of any substances capable of being transmitted or transported by pipe line including, without limiting the generality of the foregoing, any natural and artificial gas and oil and hydrocarbons and related substances or any of them and any products or by-products thereof and all works relative thereto for use in connection with the said pipe lines; and buy or otherwise acquire, process, refine, treat, transmit, transport and sell or otherwise dispose of—

What the company will be able to do goes on ad nauseam. They can buy houses, sell property, go into the field of housing development, make loans, and so on. This company is almost in the category of a financial institution. Very little is said about what the pipe line itself will do. I know that the financial aspects of the company are very important, but it seems to me the geographical aspects are also very important. I would have thought more questions would have been asked about the geographical aspects of the company. It seems to me that before the bill is passed we have to decide what we shall allow the company to do. The committee appears to have given more consideration to what they thought the company would do than to what is was really going to do and how it would operate in this area.

Private Bills

• (7:30 p.m.)

The Income Tax Act amendments that were made by the house in 1962 were originally intended to provide a better opportunity for oil exploration. The parliamentary agent goes on to say:

> Prior to 1962, companies which were in the business of exploring for oil could deduct a certain amount of their exploration expenses from their revenues for the purpose of computing income tax. Some time before 1962 all these sections were amended to provide that mining companies, for example, could go into oil exploration, and vice versa. The whole scheme of the act was to provide more money for this kind of exploration.

This has been true for a long time not only with regard to the actual operation of companies but in the financial arrangements which the companies concerned made.

The Chairman: Order. I must advise the hon. member that the time allotted to him has expired.

Mr. Lambert: Mr. Chairman, I attended the meeting of the transport committee when it was considering this bill. Although I am not a member of that committee, I felt there were certain aspects of the incorporation of this company which had to be drawn to the attention of the members of the committee. Personally I feel it is quite right to allow development and exploration companies to avail themselves of the opportunities offered them under the law and I am quite sure that everyone will agree that the 1962 amendment was put forward as an incentive for oil exploration and development. After all, not only the question of finding the oil is involved but also the matter of transporting it to the market. In many instances there were opportunities for the gathering lines to act as common carriers under the control of the oil and gas conservation board of the province of Alberta and under similar bodies in the provinces of Saskatchewan and British Columbia. I think it is only fair that a producing company should have the right to amortize some of the expenses of its exploration and development programs over its whole operation. This is provided for under the act, but it has to be clear that the exploration and development have been done.

However, there is one advantage gained by a pipe line company which is also in the business of development and production in that by being able to charge its expenses for exploration and development against its profits it has an advantage over its non-owner competitors in the production field. I have no objection to that and all I wish to point out is that this fact does exist.

I listened with interest to what the hon. member for Timiskaming had to say with regard to pipe lines and their development. However, I must say I cannot agree with everything he said because I think some of his statements are incorrect. Rainbow Pipe Line Limited operates entirely within the province of Alberta. It is being incorporated federally in the event that the group of companies, that is, Mobil Oil of Canada, Imperial Oil Limited and Banff-Acquitaine, continue their operations farther north across the Northwest Territories boundary. In view of fact that the Zama lake area is not very far from that boundary, it is possible to foresee that within a year or 18 months this company, along with others which hold leases granted to them by the government of Canada, may undertake some development work and actually bring in some producing wells.

There is no sense in the production of oil if there is no opportunity to market it, and in the Northwest Territories there are no alternative means beyond a pipe line. There are no roads or railroads, so tanker trucks cannot be used, and therefore gathering lines must be used ultimately leading to a central pipe line. This is what has happened in northwestern Alberta.

The Rainbow pipe line is presently under construction from Zama lake to Rainbow lake and, although I stand to be corrected on this, I believe it goes down to the Mitsue lakes field north and east respectively of Lesser Slave lake. Farther to the south of this area there is the Peace River pipe line which heads west. There is at present before the other place an application for another very short pipe line which will be entirely domestically owned. I believe it is to be only about 15 miles long, which makes it much more economical, and the only sensible thing to do is to build this short length of pipe line across the British Columbia boundary to join the gathering system of northeastern British Columbia and ultimately feed out through Westcoast Transmission to the Pacific coast.

Mr. Peters: Would the hon. member permit a question? I have listened with interest to his description of the area. Could he tell me whether the Rainbow oil field is situated outside the Northwest Territories?

Mr. Lambert: The Rainbow oil field is situated entirely within the province of Alberta. It is in what is known as the north

Peace River country. It is not in the Northwest Territories but along the eastern slope of the Rockies. The whole oil development starts in southern Alberta near Pincher creek. It changes from gas to oil and vice versa and the indications are that this will continue all the way to the Arctic coast as exploration locates the oil pools. The companies in the consortium intend to bring the oil, if they should find it, from north of the Northwest Territories' boundary on leases which it now holds.

I have no criticism of the plans for development. However, there are two questions which I do raise. First of all, it is a 20-inch pipe line in the Zama lake-Rainbow lake area. It is a major oil pipe line and because of the rather restricted operations in the future it seems to me there is a danger it may become a monopoly pipe line. No one else can say: We may find an oil pool in some area close by and then we will build a major pipe line all the way down to the refining area near Edmonton. Therefore for economic reasons this pipe line may become the sole pipe line. I do not quarrel with that. However, my view is that the ownership of such pipe lines should be in Canadian hands. I believe that a lesson could have been learned at the time of the construction of Interprovincial Pipe Line when ordinary Canadians did not have the chance to buy shares in it. There were large blocks of financing available to that company and they took up the major holdings.

• (7:40 p.m.)

As a result of the lesson of Interprovincial Pipe Line, there was then the experiment of the Alberta Gas Trunk Line and the formula which developed therefrom. It was not entirely perfect but I think it was a major step forward. The crown caused the Alberta Gas Trunk Pipeline to be incorporated. There were some nominal directors. The shares were placed on the public market with a maximum allocation, I think, of 25 per person. The shares were first limited to residents of the province of Alberta, and if they took their full quota, fine. Any unused portion of the quota was to be sold on the open market, but I believe the issue was oversubscribed.

In other words, Mr. Chairman, the ordinary citizen, be he railroad car man, truck driver, or what have you, was able to buy shares. As a matter of fact, the initial issue of the Alberta Gas Trunk Line was 25 shares per person at $5 a share, representing a maximum investment of $125. But within two weeks or a little more people were able to sell them for $10 or so per share. However, the small investor was able to buy, and he had the opportunity to hang on to them for further profit. Many of them did.

This is what I should like to see take place with some of our solids and other pipe lines. I should also like to see the same happen with a line such as Rainbow from one end to the other. I am sure that the companies concerned would like to get their capital out of that pipe line because they can certainly put it to better use in other ways than by investing it in a pipe line for a long time.

The operations of the line within the province of Alberta are entirely under the control of the oil and gas conservation board. The common carrier rates are fixed by the board. The production from the wells is controlled by the board upon monthly nominations by the refineries and allocations by the board.

What the prospects are for the Northwest Territories I do not know, except that the National Energy Board, to whom application must be made for the establishment of a pipe line in the Northwest Territories to connect with any pipe line in Alberta or British Columbia, will determine the method of construction, rates and so forth of any such pipe line.

If the department of northern affairs and the Department of Energy, Mines and Resources have any conception of proper conservation, then I suggest they will likely follow the Alberta plan. After all, the chairman of the National Energy Board was the chairman of the oil and gas conservation board in the province of Alberta. It is in the mutual interest both of that province and the federal government to see that there is the maximum development of oil resources and reserves. Naturally these resources have to be marketed in order to make any development program economically feasible.

According to the evidence given before the transport committee the other day, our oil reserves today will last 33 years. I do not know whether the figures took into account the tar sands resources in northeastern Alberta where the first refinery is due to go on stream some time later this autumn at a cost of something like $250 million, with a 50,000 barrels a day capacity.

These reserves are far greater than those in the conventional oil field areas of Alberta and the Northwest Territories. At the present time the Alberta oil wells are producing at about 50 to 55 per cent capacity. Many of the older wells with lighter production which have been in operation for 20 years are almost at

the point of shutdown because they are uneconomic under the present marketing system.

Briefly, Mr. Chairman, I would like to say I have no objection to the incorporation of this company to build a pipe line. There will have to be an application made to the National Energy Board and the board can hold public hearings. It is not as if we were giving this company the right to establish a pipe line wherever it wanted, and that by the passage of this bill we were giving the company the right to build the pipe line. Not at all. There are still several steps that have to be taken both before the oil and gas conservation board of the province of Alberta and the National Energy Board of the Government of Canada.

However, Mr. Chairman, with regard to the bill itself I referred the other day to clause 6 (c) as an open hunting licence and I do not withdraw that phrase today. As I said, I feel it would be far better if this company were open to public investment. By the term "public" I mean in the same way as the Alberta Gas Trunk Pipeline, or under some similar formula where by residents of the province of Alberta and people in other parts of Canada would have the opportunity to buy shares instead of these companies being controlled by three corporations, two of whom are United States corporations, the other one being French with a tie-up with the French government.

Notwithstanding the fact that this consortium has done a good deal of development work and has a good record, it seems to me that where you have a pipe line which I think, economically speaking, will be the only major pipe line working toward the north for many years to come, Canadian citizens as such should be entitled to acquisition of the equity holdings in that line.

I hold no brief for nationalization or public ownership by a crown agency or otherwise. I think that would be the last thing we would want in the oil and gas business. But I do feel that widespread ownership by the Canadian public is highly desirable. This is the sort of move that would detract from the alleged necessity of a Canada Development Corporation. I think that ultimately a much greater number of proposals of the sort I suggest will have to come before parliament. There should surely be much greater participation from the onset in such development by Canadian investors. I can assure you, Mr. Chairman, that there are any number of people in all parts of the country who would be quite happy to invest $200, $300 or $500 in a type of operation like this or in a solids pipe line or in other types of transport utilities.

As I said before, Mr. Chairman, I do not for one moment hold any brief for public ownership by the crown. On the other hand, I believe that Canadians as such should have the right to invest in the equities of their resource development industries, and this would be one way of doing so.

• (7:50 p.m.)

Mr. Barnett: Mr. Chairman, I see that the Minister of Transport is in his place and I would hope he would comment on something which involves such an important aspect of our transportation system. I felt that he might give us the benefit of his views on the bill that is before us but, apparently he has no intention of doing so at the present time. May I point out that if this company is incorporated it may one day, under the terms of the bill, wish to build a pipe line to Bonavista, and the Minister of Transport might show a more active interest in it then.

I was interested in some of the remarks of the hon. member for Edmonton West who gave the committee the benefit of his knowledge which arises partly from the very fact that he represents an Edmonton constituency. He has had more opportunity than most of us to become familiar with the operations of the oil industry and he has taken considerable interest in some of the financial legislation, income tax and otherwise, that has come before the house from time to time.

The proceedings of the standing committee on transport and communications on Tuesday, June 20, came into our hands today and we have not had much chance to look at the evidence in detail. I have tried to follow some of the information which was given and after I have made one or two references to the evidence perhaps I might be permitted to ask the hon. member for Edmonton West whether I correctly interpret the situation to which he referred at the outset of his remarks.

I found myself somewhat puzzled by some statements made by those presenting the case for the applicants before the committee. If I understand correctly, it is the intention of this company provided the charter is granted to be in a position to operate as a common carrier with a published rate of tariffs. That being so, it will carry the oil produced by it and as well as will be required to carry the oil produced by any other oil producers in the area that wish to use this pipe line. In that

case, the reference to the question of income tax write-offs for exploration expenses becomes of considerable interest as it relates to the position of a common carrier carrying the products of the principal shareholder as well as of other companies.

On page 6 of the committee report Mr. Bredin is reported to have said:

> It is not the intention to operate this pipe line as a going concern in the sense of making a profit in itself. It is to provide a vehicle to get the oil out of this area at a low cost to the producers.

That may be a laudable objective but it seems at variance with the accepted objectives of a common carrier. So far as I know our railways, privately owned and publicly owned, have never suggested that they were in the business of moving goods for the love of it. Their intention is to make a reasonable profit from their transport operations.

After an intervention by the hon. member for Victoria (B.C.) Mr. Bredin said:

> We propose to operate this—

I assume he is referring to the pipe line.

> —with a minimum of profit, and should there be some small profit it can be written off by doing drilling or exploration work and thus there will be no tax payable. That being so, you can ultimately lower your tariffs and the benefit of this will accrue to the producer. If you use your money to pay income tax you cannot lower your tariffs to the same extent as you can otherwise.

The hon. member for Victoria (B.C.) then said:

> I would like to see how that reads in the transcript. It does not seem to add up.

Having read this part of the evidence two or three times I must agree with the hon. member for Victoria (B.C.). It still does not add up. It seems strange that you can spend money on exploration and thereby lower your tariffs as an operating pipe line company to the point where you make no profit, or to that point where your profit is so reduced that you are not liable for tax, but if tax is to be paid higher tariffs must be charged. This question, incidentally, throws into relief some of the strange provisions of corporation income tax legislation in regard to tax write-offs for exploration. Perhaps in drawing this question to the attention of the house the company in question has performed a commendable service.

If one considers a pipe line operation in the sense that the hon. member for Edmonton West considers it, as an operation which is brought into being because of the economics of the situation which enable it to operate as a monopoly carrier, it seems strange that the oil producing company which will control the pipe line company can manipulate the profit position of the pipe line company and expend money in exploration in such a way as to avoid paying income tax.

• (8:00 p.m.)

The Chairman: Order. The hour appointed for the consideration of private members business has expired.

Progress reported.

Mr. Speaker: The hour appointed for the consideration of private members business having expired, the house will revert to the consideration of the business which was interrupted at seven o'clock.

Mr. Winters: May I ask the leave of the house to revert to motions?

Some hon. Members: Agreed.

TRADE

STATEMENT FOLLOWING GENEVA AGREEMENTS

Hon. Robert Winters (Minister of Trade and Commerce): I should like to thank hon. members for their kind consideration.

The final act of the Kennedy round is to be signed tomorrow morning in Geneva, thus bringing these negotiations to a formal conclusion. The resulting agreements, including the schedules of tariff concessions granted by all participating countries, can now be made public. I should make clear that these tariff cuts will not come into effect until January 1, 1968, and in many instances they will be staged over the next four years.

At the conclusion of my remarks I will ask leave to table, on behalf of the Minister of Finance (Mr. Sharp) and myself, detailed information on the tariff and trade agreements of interest to GATT concluded during the Kennedy round. Everything possible is being done to ensure that the Canadian business community is made aware of these results without delay. The Minister of Finance and I will now issue a joint press announcement containing details of the agreements.

Copies of this announcement, as well as of a special issue of the department's publication "Foreign Trade" are being sent to the major trade and business associations in sufficient quantities for distribution to their member firms across the country. I am writing to the ministers of trade and industry of all provincial governments inviting their co-operation

in joining with us in organizing seminars with business groups in their regions. I am also writing to the many individual firms which have expressed interest in particular export products in these negotiations.

Mr. Speaker, as has been indicated on numerous occasions, the Kennedy round constitutes by far the most important trade pact in history, the most comprehensive in coverage and the most significant in the extent and depth of tariff reductions. Some 50 countries, representing well over 80 per cent of world trade, participated in these negotiations.

Over $45 billion of goods and hundreds of thousands of tariff items are affected by the concessions exchanged; all aspects of world trade including tariffs and certain non-tariff barriers, and agricultural as well as industrial goods were within the ambit of the negotiations. Never before have trade negotiations of this scope, magnitude and far reaching impact taken place.

It is fitting on this final day, to pay tribute once again to the statesmanship and farsightedness of the late President Kennedy.

Some hon. Members: Hear, hear.

Mr. Winters: To his initiative were due in large part the ambitious objectives which these negotiations set themselves and which have to such a high degree been attained.

It was to be expected that the Kennedy round would be exceedingly complex and difficult, involving a great deal of intensive bargaining; indeed there were occasions through the nearly four years of negotiations when the obstacles appeared to some too great to be overcome. However, despite crises and delays, and due to the perseverance and basic good will of all the countries concerned, the issues blocking agreement were resolved.

As one who attended these negotiations in Geneva on behalf of the Canadian government at various critical junctures, may I say how much is owed to the leadership and skill of the director general of the GATT, Eric Wyndham-White, in contributing to the success of the negotiations, and to our own negotiating team under the leadership of Ambassador Sidney Pierce. The Kennedy round now stands not only as a symbol of the most sweeping advance yet made in the liberalization of world trade, but also as a model and example of constructive, forward-looking and meaningful co-operation among the countries of the world.

For Canada, the success of the Kennedy round has wide-ranging implications, opening new broad perspectives of expanded trade and benefiting all sectors and regions of the economy. Indeed, a dramatic and sustained increase in Canadian export trade is essential if we are to deal effectively with the common issues confronting us as regards standards of living, balance of payments, jobs and the like. The concessions granted in our own tariffs to gain greater access to other markets must be regarded in the light of the very great benefits which can accrue to Canada from expanded exporting opportunities.

Many sectors of industry where Canadian tariffs are being reduced are also the sectors which stand to benefit most from export gains. In many instances, the cuts in Canadian tariffs are in areas which will help reduce the costs of production for Canadian processors and manufacturers, as well as for consumers. That, Mr. Speaker, is important.

The export benefits obtained by Canada from its agreements with major trading partners cover, including wheat, over $3 billion of our current export trade. In the United States and the E.E.C. most industrial tariffs will be reduced to levels of 10 per cent or less. As a result of the across-the-board tariff cuts made by our major trading partners, trade opportunities will become available for the first time to a very wide range of manufactured goods—many of which will be Canada's exports of tomorrow. For Canada therefore the Kennedy round could contribute to the solution of many of our basic economic problems and set in motion the process of adaptation and restructuring which could, in time, reshape the character of the economy. There are many areas where we need more values added, more up-grading of our raw materials, and this should help.

It may well be that the Kennedy round will be regarded in the future as a crucial turning point in the transformation of Canada from a resource-based economy to one of the most advanced industrial nations of the world.

I have commented on previous occasions in some detail on the significance of the new cereals agreement for Canada's wheat trade, for the western prairie provinces, and for the economy and balance of payments as a whole. The International Wheat Council is convening a special negotiating session in Rome on July 12, with a view to revising the international wheat agreement so as to incorporate the cereals commitments agreed to in the Kennedy round.

Canada welcomes the participation of all countries with a significant interest in wheat

trade in these negotiations, and would like to see the new agreement completed and put into operation as soon as possible.

I would like to take this opportunity to express again the government's appreciation to the members of the wheat advisory committee, representing major western producer organizations, who served as advisors to the Canadian delegation throughout the cereals negotiations in Geneva. Their counsel and guidance were invaluable.

Now that the Kennedy round is concluded, it is vitally important that every sector of the Canadian economy should exploit the new export opportunities before us. The main initiative must rest with private enterprise itself. The department is being geared to provide maximum assistance to the Canadian business community in their export efforts. There will of course be areas and sectors which may feel a sense of greater exposure to competition because of tariff reductions made to gain access on a wider basis to the markets of the world for a very broad range of Canadian products. There are bound to be some local, negative reactions. But in the overall, this is a great, positive step, and it can mean a very large net gain for the Canadian economy. I am sure our dynamic Canadian enterprise will ensure that result.

• (8:10 p.m.)

I have asked the house leader to bring before the house tomorrow, if it is agreeable to hon. members, the estimates of the Department of Trade and Commerce so that this important development may be gone into more fully, to the extent that hon. members might wish. I understand from the Minister of Finance (Mr. Sharp) that he too will be here tomorrow.

Now, Mr. Speaker, with the permission of hon. members I would like to table in English and French the following material:

1. A copy of the special issue of the Department of Trade and Commerce publication "Foreign Trade," dated July 1, which is devoted to this issue and shows the major tariff cuts gained, together with concessions granted by Canada, and some editorial comment on them.

2. A descriptive analysis of the concessions received in our major export markets by broad commodity sectors.

3. A descriptive analysis of the concessions extended by Canada.

4. A detailed list of items of interest to Canada on which concessions have been secured from the United States, the E.E.C., Denmark, Norway, Sweden, Finland, Switzerland, Spain, Japan, Korea, Brazil, Yugoslavia and Israel. This list shows the present and new rates of duty as well as the most recent trade figures. This represents all the major trading items but it is not a complete list of all concessions obtained. Information on items not listed will be available from the Department of Trade and Commerce.

5. The complete schedule of Canadian tariff concessions showing a description of the items and the rates of duty. Under the term of GATT these tariff concessions are extended to all members of GATT, and also to all other countries with whom we have most-favoured-nation agreements.

6. A detailed analysis of the new world cereal agreement as well as the text of the agreement.

7. A descriptive analysis of the new international code on anti-dumping policies as well as the text of the code.

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

Some hon. Members: Agreed.

Mr. Jorgenson: May I ask if the minister would agree to have these documents printed as an appendix to *Hansard*?

Mr. Speaker: If the hon. member will look at the volume of the documents now on the table he will see that would be a physical impossibility. I understand that the documents in question will be distributed in the lobbies to hon. members.

Mr. Winters: Yes, Mr. Speaker, copies are available in both lobbies. They are also available in the distribution office, and there is a supply available in my own office.

Mr. Jack A. Irvine (London): Mr. Speaker, I think I am making the understatement of the year when I say through you to the minister that it would have been rather helpful had we had some of this material in advance. I realize, however, the difficulty involved.

I was pleased to hear the minister make some kind and well deserved remarks about the late President Kennedy. I think that was only proper. Certainly all hon. members would agree with the sentiments he expressed.

I believe most hon. members will agree that the minister's speech was a great deal of

window dressing, full of vague generalities without anything concrete in it. Until we have an opportunity to read the various tariff agreements we will not know exactly what happened. Hon. members will be pleased that the minister's estimates will come before us tomorrow, at which time we will have an opportunity to probe a little further into some of these matters.

The tariff agreements made at Geneva in the Kennedy round negotiations will have far reaching effects, particularly on this country of ours. I am concerned mainly about their possible detrimental effects. I hope these will not be great in volume, but I would like to know what assistance will be given to the firms and manufacturing concerns that are adversely affected. At the moment I am thinking of the hard goods business, and in this connection I recall the automobile pact which we discussed in this house some time ago. In particular I question the reason why an automobile manufactured in Canada is sold for less money in the United States than it is in Canada.

What about our agricultural markets? In particular, what about our wheat markets, which are possibly the greatest export markets we have? We also have to think about our soft goods markets. What about the extra competition we are going to get from far eastern countries, in particular Japan? In the last few years we have experienced much competition in this particular area, competition which has had a profoundly adverse effect on some Canadian industries.

What will be the effect of these tariff cuts on our leather goods business? What about their effect on the shoe manufacturing business? At present a high percentage of the shoes sold in Canada are imported from Europe. Many goods produced in Canada are sold in this country at certain prices and are sold in foreign markets at lower prices. What will be the effect of these agreements on them? Are our people going to get any advantage? The minister mentioned that the net result would contribute to lower prices. I know he said so in all sincerity, but we shall have to wait and see the results ourselves.

This is a very important step which has been taken. When one considers the present inflationary tendencies in this country, one must see in this a most alarming situation. If the new agreements are going to be for the general good, if they are going to be for the good of Canada, then I am all for them. I shall be most interested to read the documents tabled by the minister tonight.

[Mr. Irvine.]

In considering these agreements we must remember that wages in this country have risen by 10 per cent to 12 per cent per annum, while our productivity has increased at the rate of only 6 per cent. The matter which I and most people in this country are concerned about is whether by these tariff cuts we will be priced out of some foreign markets, because of the additional competition that we are going to face. But on the other hand it must be remembered that we have already been priced out of some foreign markets.

I would like to ask the minister what plans he has to increase productivity in Canada. Second, I would like to ask him what assistance he and his department are planning to give Canadian industry that may be adversely affected? We know some of our industries will be hard hit, just as was the fate of the automobile parts manufacturers under the auto trade agreement.

The minister mentioned private enterprise. There was a time when private enterprise was the backbone of this great country in which we are privileged to live. But with the large number of bankruptcies we have experienced in recent years, and the large number of people who have gone out of business for other reasons, private enterprise has shrunk to something very small in dimension. What protection are we going to give some of the firms that are going to be hit, and perhaps hit hard?

● (8:20 p.m.)

The minister also mentioned that various seminars will be held across the country at which I believe local manufacturing concerns and others will be brought up to date on some of the new tariff and trade agreements. I am just wondering whether, when these seminars are held, the minister intends to invite the attendance of the local member of parliament in the area concerned, regardless of what his party might be, because I think the education would be good for that member as well as for the firms concerned.

The minister has drawn attention to the importance of co-operation. I think it is important too, because throughout this world in which we are living we do believe that a semblance of brotherhood and co-operation, particularly in these times, is so important.

With the tariffs in this country of ours down something in the neighbourhood of 10 per cent, I think we are facing something which we should consider very seriously. I should be very pleased, Mr. Speaker, to see the reports which have been tabled by the

minister. Let us hope that this is a step forward, and that it does not contain a retrograde aspect.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we in this party join with the Minister of Trade and Commerce (Mr. Winters) in the tribute he paid this evening to the late President Kennedy in connection with the announcement he made tonight, and the agreement which is being signed tomorrow. I think it is fair to say, if the results of the Kennedy round measure up to the predictions made by the Minister of Trade and Commerce, that the late President will have no greater memorial than the attachment of his name to these agreements.

We thank the government for making the arrangements for the statement to be made tonight and for the material to be distributed to members. We also thank the government for making the consequential arrangement for the estimates of the Department of Trade and Commerce to be discussed tomorrow. In other words, we can postpone any further comments in respect of these agreements until we reach that stage in our proceedings.

There are just one or two comments I should like to make at this time. The minister referred, and I believe quite properly, to the advantages which can flow to a country like Canada from increased trade, from greater opportunities to get into export markets, and from the possibility that our economic base may be shifted from one which relies largely on resources to a mixed base of resources and broad industrialization. We trust that the result will be an increase in the total wealth that accrues to Canada. We wish to make the point, however, that this is useless unless it is matched by domestic policies designed to make sure that the greater wealth which accrues to this country will be shared by all of our people; in other words, improved trade policies must be matched by improvements in legislation in the field of social security, housing, and in all the other fields which get the wealth which we produce through to the people. It is not good enough simply to have expanding sets of figures in the Department of Trade and Commerce. We must see to it that the result is the highest possible standard of living, education, health and security for all our people. These things must be the ultimate goals of the Kennedy round.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, like the hon. members who spoke before me, I too wish to congratulate the hon. Minister of Trade and Commerce (Mr. Winters) and the hon. Minister of Finance (Mr. Sharp) for having given us, this evening, a general idea of the agreements concluded during the Kennedy round.

But first, I must congratulate the minister for having chosen that name or, so to speak, for having christened the Kennedy round as a memorial to the greatest president, to my mind, who ever ruled over the destiny of the United States in the social field, a president who, in his work, gave the human being precedence over the financial system.

I believe, Mr. Speaker, that those agreements will enable Canada, whose population is very small but whose wealth is tremendous in natural resources of all kinds, even in the field of agriculture, to have easier access to export markets.

I deeply regret that those documents did not come to us earlier—we have just received them—which would have enabled us to analyse them and to make more specific comments on these agreements. When I look at the negotiations, I wonder what that will mean for farm, fish, forest and processed wood and paper products, more particularly in my region, which is recognized as a large paper-producing area. I believe those agreements will be welcomed throughout the province of Quebec, as well as Canada, and we will be happy tomorrow to issue some more specific opinions on these agreements.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, at this point, without having the details before us, it is not really possible to comment in any specific way or to make any sweeping statement in respect of the details of the arrangements which have been worked out in the Kennedy round and about which the minister has informed us in general terms. There are, however, one or two points which I might mention. The minister spoke about the expanding export opportunities. I believe this is one of the great challenges before Canada as we move into our second century, because not only have we tremendous natural resources but we also are rapidly becoming the great manufacturing country which our position in the world gives us the opportunity to be at this time.

There are several points about which I am concerned. These relate to the remarks the minister has made. The first refers to our tremendous imbalance of trade with the

United States. I would hope that in some way the new tariff arrangements might help meet this problem a little more effectively than it has been met in the last several years. Likewise I would trust that the benefits from these tariff reductions might be directly related to the consumers and to the costs of those things which the consumers must buy.

I think one of the great criticisms in respect of the automotive arrangement is the simple fact that the benefits, at least in the early years of this arrangement, were not passed on directly to the consumers. These reductions in tariffs will really lose their point unless this takes place. So I would hope that these arrangements will relate to some of the problems we face.

I should like to remind the minister and the government as a whole that one of the great problems we face in respect of trade today is far beyond that of the lowering of tariffs. I refer to the problem of international settlements and international liquidity.

• (8:30 p.m.)

Unless a new arrangement can be worked out as far as credits are concerned in this whole area of trade, then all of the tariff reductions that may be worked out will really not help to solve the problem we face. I believe it has become urgently apparent to some, if not to all countries which are major traders in the world, that unless there is a new basis of international exchange, a new opportunity in the area of international settlement, and a greater financial liquidity can be provided for the nations of the world as they develop in their respective and different areas with the increase of greater trade patterns, we are going to continue to be in trouble.

Speaking on behalf of this party, I welcome the trend that is evidenced in the tariff reductions as a result of the Kennedy round. I believe that it is not only important to our position as a trading nation, it is important to the world. We talk about peace and we think of keeping the peace in terms of military force and might. One of the greatest opportunities we have in working toward peaceful opportunities and for the development of our resources in the world, both human and material, can be gained from more free trade patterns and, ultimately, unrestricted trade for the world. In this regard we welcome this major step in that direction.

SUPPLY

The house in committee of supply, Mr. Tardif in the chair.

The Assistant Deputy Chairman: Order, please. The house again in committee of supply, the estimates of the Department of National Revenue, Vote No. 5.

5. General administration and district offices including recoverable expenditures on behalf of the Canada Pension Plan, $57,833,900.

Mr. Thompson: Mr. Chairman, when we adjourned the debate at four o'clock I had several points in mind I wished to bring to the attention of the Minister of National Revenue. I realize that his position is not an easy one. Certainly the public tax collector is not a position one would normally consider with much relish. However, this is an extremely important responsibility because governments have no sources of revenue other than from the taxpayers' pockets, and someone must be responsible for collecting the taxes which the government imposes.

The second phase of the responsibility of the Minister of National Revenue which is not particularly enviable is that phase relating to the collecting of taxes the minister had little to do with in design. I am disturbed about some aspects which have developed in regard to tax collecting which result in infringements upon the rights and freedoms of citizens. I am thinking particularly of small businesses in respect of which the owner and his employees must collect and keep record of the tax. I have received many complaints in this regard, and have a great deal of correspondence, which I believe is very little different from that received by other members of parliament.

It seems to me that this type of businessman is being asked more and more to devote a great deal of his working time to the services the government requires of him. This is true not only of tax collecting but in the interpretation and enforcement of taxing regulations, as well as filling out innumerable tax forms which are constantly before him. The small businessman must comply with these demands on behalf of the government, and at its request.

The Department of National Revenue must constantly keep in mind that much of this work which is being done by the small businessman is really being done as a courtesy to the Department of National Revenue. It must be understood that this very often costs the small businessman a good deal, and

causes him a great deal of concern. It is with this fact in mind that I introduced a bill in this house, C-130, which relates to the establishment of the position of ombudsman for administration. I suggest in this bill that this appointee could very well be the Auditor General, and in this way avoid the appointment of another official, or members of another staff. I made this suggestion because someone must better look after the interests of the small businessman and other taxpayers, as well, other than just members of parliament.

To be more specific let me refer to some of the problems which have come to my attention in recent days. First of all I refer to the exemption of the tax on drugs, to become effective on September 1 of this year. I am concerned because no provision is being made to protect the druggists of this country regarding their investment in the stock which now sits on their shelves. I have received correspondence from a number of druggists and have become aware of the fact that there are many corner drug stores, as they may be described, the owners of which will be out of pocket anywhere from $3,000 to $8,000 because no provision has been made to refund the tax they have already paid on these inventory drugs, prior to the implementation of this tax removal.

I have in mind particularly a druggist in my own town. He tells me that this revision in respect of the tax exemption on drugs is likely to cost him $6,000. He operates an average size drug store, but he expects he will lose that amount of money because no provision has been made to refund the tax he has already paid on the drugs now on his shelves. The minister has already said that no one will require these druggists to make an immediate reduction in their prices, as soon as the removal of this tax comes into effect. It is very nice to talk as the minister does, but who would sensibly suggest that such a man would be able to charge the price charged before the removal of the tax, after the tax removal goes into effect? That is not possible. Certainly the minister and his officials know that the public will expect that after September 1, 1967 the cost of drugs will come down by an amount equivalent to the tax which has been removed.

I urge the department to take some action in this regard in order to protect the small businessman who is going to pay money out of his own pocket because of this tax reduction. Surely this is not fair. It seems there ought to be some consideration given by the department for these people who do so much for the government in collecting taxes and keeping records. Their plight should be considered when the tax exemption takes effect. I would urge that the department take a second look at this problem and do something about relieving the very heavy burden which will face most people in the business of selling drugs when the tax exemption comes into effect.

• (8:40 p.m.)

I should like to mention another matter in respect of the collection of sales tax from small businesses which may be classified in part, as far as their activities are concerned, as manufacturers manufacturing items totalling more than the minimum exemption per year, which I believe is $3,000. Here again a difficulty is being worked on a number of small businesses. It is really so heavy on some that it means the difference between being able to stay in business and not being able to do so. Let me be specific and quote one example. In any city or town in this country you may find a welding shop. This welding shop is not really in the business of manufacturing, but in the course of its business clients bring to it the type of work that can be classed as manufacturing. If this type of business totals through the year more than the minimum exemption, it is necessary for the owner of the shop to collect the sales tax from those with whom he does this business. This is the regulation. If the welding shops in every community across Canada were classified and inspected by the tax department no hardship would be imposed on some that did not apply to the others. The simple fact is that because the taxation offices do not have sufficient staff to go out and check on every type of business that might come under this classification or category, some are registered and are required to pay tax and others are not.

What disturbed me about the attitude of the department is this, and I hope the minister takes note of this problem. The tax department says, when you bring this matter to their attention: We do the best we can about bringing every business in this category under the inspection of the department, but we cannot be sure that we get them all. Will you please ask those shops that are complaining about having to pay the tax to tell us the names of those who are not paying it. Ask them to give us a list of those shops that are not paying the tax.

They even ask us as members of parliament to make a list of the shops that are not paying the tax. How foolish can the tax department be

in this regard? Does this mean that a member of parliament should become a policeman for the tax department? Does it mean that a man has to make a report to the department about those with whom he competes? Certainly the clientele of these shops will not accept this. It is not the responsibility of the businessman or the member of parliament to check into these matters for the tax department. If the department does not have sufficient staff, or is otherwise unable to make the proper inspection to make sure whether firms in this minor category—I think this is how it might be described—are paying the right tax, it is up to the department to check into the matter.

It seems to me it would be only fair not to collect tax from one firm if the department is not able to ascertain all other firms which fall within this category. This problem applies to many communities across Canada. I am not putting forward a theoretical proposition; I am talking about a situation that exists. In many small cities and towns two, three, four or five people are engaged in the same line of business; one or two of them are paying tax and fall under the inspection of the department, and others are not paying tax and are not required to meet the regulation. Surely this is not fair.

This is a real problem that is presented to a number of small businessmen in this country. The situation is not satisfactory and something should be done to resolve it. Again I say that I believe it is the responsibility of the tax department to ascertain who should pay this tax. The department must look into the problem and not just condemn these people as complaining for the sake of complaining or trying to get out of paying tax. I do not believe that very many people in Canada try to get out of paying taxes that are required according to the law of the land. In fact, Mr. Chairman, I have found that the great majority of businessmen want to do what is right, but because of the complexity of the tax regulations and the unfairness of the application of some of these regulations they find themselves in a very difficult position. Also they find themselves in a position of tension because they are continually concerned as to whether they are properly carrying on the type of work that requires them to pay tax. They fear they may be in error and will be brought before the department for having made a mistake or for not having paid tax which they did not believe was their responsibility. I should like the minister to give me an answer to this question before these estimates are passed, and I would urge the department to take a very careful look at the problem.

Another point is that under tax regulations certain types of equipment are classified as farm equipment. An increasing number of new machines used on farms legitimately come under the classification of farming equipment. This equipment has not necessarily been used in the past and the farmers are not being properly classified in respect of the equipment as far as tax exemption for agricultural machinery is concerned.

One such problem that has been brought to my attention, of which I have informed the minister—and I believe the department is aware of it—concerns a type of farm trailer that can be used behind small trucks or tractors. This equipment is used both commercially and agriculturally. Some farmers are required to pay the normal tax and others are exempt from it. In my opinion it is the responsibility of the tax department to make sure that the application of its regulations is equitable and fair to everybody, which definitely is not so in this case.

There is still another problem with regard to which I have not been able to obtain a satisfactory answer from the department. It concerns an item that is not yet manufactured in Canada and must be imported from the United States. This matter has been mentioned a number of times in debate. I refer to the motor vehicle that is used as a funeral coach, a hearse, or as a combination coach and ambulance. As these vehicles are manufactured only in the United States they come under a regulation that is specific in so far as tax exemption is concerned. The department has recently attempted to classify a similar unit made in St. Catharines as an ambulance and funeral coach. In the opinion of the department funeral coach and ambulance types imported from the United States would now come under the tax regulations that otherwise would not be applicable. Here again it seems to me the department should be more concerned about looking at the problem as it relates to the businessman involved or the user of the particular piece of equipment, rather than applying the regulation in all its apparent legality. In the case I have in mind a combination ambulance-funeral coach has been manufactured in the United States and brought into Canada as a vehicle to be used by a voluntary organization in the city of Jasper. It is required that a duty be paid on

this vehicle both because of anti-dumping regulations, as well as the normal customs and excise tax.

• (8:50 p.m.)

On top of that it is subject to other taxes, which I do not believe should apply to this type of vehicle, on the pretext that a minibus or a truck type of stationwagon can be modified by raising the roof to make it into this type of vehicle. Perhaps ambulances may be made by modifying other vehicles to meet the requirements of public health and safety, but the fact remains it is not really this type of vehicle. Again it seems to me that the decision of the department in the interpretation of regulations should be in favour of the user of this equipment and of the businessman who is responsible for importing this type of vehicle into the country.

I have one more point which I should like to bring before the minister tonight. It applies to the registration of charitable organizations to which gifts would be exempted under the income tax regulations. I think there has been a great deal of trouble with regard to this matter. I do not think anyone can be blamed for this because the legislation was only passed shortly before Christmas and the announcement that it would be implemented as of January 1 came much too soon for the necessary preparations to have been made in order to process the thousands of organizations in the country which come under the legitimate classification of charitable organizations.

I wish to commend the minister for having speeded up the processing of the larger organizations that I have brought to his attention. I believe that most of the larger organizations in the country have already been registered. However, we are six months along in the new year, and there are still hundreds of organizations, many of which have applied as early as in January, which have not yet been registered and have not had a number assigned to them which they must indicate on receipts given to those who make donations to these organizations. It seems to me that here again undue hardship was worked on the person who is not trying to evade taxes but is trying to follow the regulations and obey the tax laws of the country. It would have been far better if the implementation of this tax could have waited until the department was ready to process the thousands of applications which it knew would inevitably come before it. I would only hope that at this late date the department will make every effort to deal with these applications so that the receipts that are being held up for lack of a registration number will be soon available to the organizations which are legitimately classified as tax exempt charitable organizations.

There are other points that I could bring to the attention of the minister. However, the four or five points which I mentioned represent urgent problems to many Canadians. I trust the minister will give an answer to as many of them as he can while we are discussing the estimates tonight and that action will be taken to clarify them as quickly as possible.

Mr. Benson: First of all I should like to congratulate the hon. member for Red Deer on the interesting points he raised with respect to the administration of the Income Tax Act. I should like to say to him that in the determination of tax policy there is very close co-operation between the Department of National Revenue and the Department of Finance. I would not say the Department of National Revenue ever administers a policy which it has not had the opportunity of considering previously.

The hon. member mentioned the cost of collection by small businessmen. The idea that small businessmen having to collect taxes for the government of Canada—a very interesting proposition—should receive some recompense for doing so. This matter had been considered by this and previous governments but the conclusion has been reached that to recompense the small businessman would entail an increase in taxes in order to raise the funds to pay them.

Mr. Thompson: Mr. Chairman, may I clarify a point? I did not suggest the government should recompense these businessmen. The point I was trying to make is that the government should facilitate the work they are doing. I understand that paying them for doing this work is out of the question. I would only ask that consideration be given to assisting them in facing the problems which they have as a result of having to do this work.

Mr. Benson: I should like to say that the officials of the taxation division of my department try to co-operate with small businessmen as much as possible in order to simplify their task, which is a difficult one. The hon. member for Wellington South put forward an

idea this afternoon which has been in my mind for a long time, namely that the collection of all the revenues of the federal government should be handled by one department. However there are some very difficult questions involved with regard, for example, to unemployment insurance which is handled by a separate commission. I would simply like to assure hon. members that this matter has been receiving constant consideration by the government and although legislative steps are involved we will continue to consider the matter of facilitating the work of the small businessmen on behalf of the government.

The hon. member for Red Deer mentioned the matter of the ombudsman. It is my opinion that so far as taxation in Canada is concerned we have in effect a group of ombudsmen in the income tax appeal board, a body of men quite separate from the Department of National Revenue, which travels about the country hearing taxpayers' complaints with regard to individual taxation matters. They have been most successful in their work, and I think all of us should congratulate them on the manner in which they have carried out this task over the years. This board does the job of dealing with the taxpayers very satisfactorily. As I mentioned this afternoon, I hope that in order to clear up the backlog of their work we might expand their number so that taxpayers may be given a better chance to appeal to these quasi ombudsmen.

The hon. member for Red Deer also mentioned the matter of drugs and the problem of some people who will be left as of August 31 of this year with the sales tax on drugs which are on their shelves. Basically this is a matter for the Department of Finance. It is the job of my department to administer the law as approved by parliament, and not to make the law. However, a good deal of consideration has been given to this matter, and I believe the Minister of Finance would support me on this. One of the reasons for which the tax was not reduced immediately but was delayed for several months was to give people an opportunity to review their inventory and protect themselves as much as possible. Of course it is not possible to protect oneself completely, but the other alternative would have been to reduce the tax immediately and this would have raised a far greater problem than the one raised by my hon. friend. As things stand at present pharmacists have an opportunity to adjust their inventories in order to minimize their losses.

Mr. Thompson: May I ask the minister a question? He said the only other alternative would have been to impose the tax immediately. Why not trust the druggists of this country to submit reports which would give them an exemption on the inventory of drugs on their shelves as of August 31 in order that they may relieve themselves of this very serious problem? Does the minister mean they would have to sell everything they had on their shelves, and then through some miracle replenish their shelves again on September 1? There is no logic in his argument.

• (9:00 p.m.)

Mr. Benson: When a federal sales tax is charged, a federal law is passed and the tax becomes effective on the same day. The reason generally that this is done is that efforts are often made to minimize the effect of sales tax. The reason that the Minister of Finance —I am not trying to justify his policies; he is quite capable of doing this himself—decided upon the four month period was in order to remove any problem for the people involved.

The hon. member for Red Deer also mentioned people who pay sales tax on their production while others are exempted from that sales tax because their production amounts to less than $3,000 a year. This has been a constant problem to the customs and excise side of my department, whose estimates we passed earlier. Indeed, we have tried to seek ways of easing the problem involved.

However, arguments are made on both sides. It is argued on the one side that the $3,000 exemption is insufficient, that people should be allowed to produce goods worth $4,000 or $5,000; on the other side it is argued: "I have just exceeded $4,000 production and have to pay 12 per cent sales tax, whereas a fellow I know down the street who is moonlighting and producing just $3,000 worth of goods a year does not pay the sales tax".

Probably the simple solution, Mr. Chairman, would be to impose sales tax on all production regardless of value. The reason this is not done and that there is this exemption is an administrative one; we would have to try to deal with everyone working in production part time and who might be subject to the imposition of sales tax.

My hon. friend also raised a question about farm equipment. I think some of the problems he raised will be eased as a result of the decision of the Minister of Finance and the government to remove the sales tax on production machinery. One of the big problems that we encountered when sales tax was imposed on production machinery was due to

this. In the past people in the farming industry had considered purchasing certain production machinery, which was sales tax free. Then all of a sudden sales tax on this machinery was imposed and these people wanted this machinery moved from the category of production machinery into the category of farm machinery. I think this particular problem will be eased a little by the decision of the Minister of Finance and the government to remove sales tax on production machinery as such.

The hon. member also mentioned sales tax on funeral coaches. One of the difficulties in this regard is that not only is there a sales tax and customs duty on used cars imported into Canada, but except in special cases the importation of used cars into Canada is prohibited. Over the years I think this prohibition has been justified. In view of the vast United States market and the differential in car prices in Canada and the United States, succeeding governments have decided to protect Canadians against a flood of used cars from the United States.

I should like to inform the hon. member that some of the few exceptions which have been made to this rule against importing automobiles from the United States—and these exceptions are made pursuant to section 22 of the Financial Administration Act—were in respect of funeral coaches. The government has always taken the position that this prohibition of importation was for a specific reason, and that before allowing any less restricted importation of used funeral coaches from the United States the government must canvass the industry in Canada to see whether there was any objection.

This canvass was made, and some of the few cases where we did ease up on the importation of second-hand vehicles into Canada related to funeral coaches which were bought by people with relatively small means in this business, who imported these vehicles from the United States because they could not afford to buy new vehicles. Generally, Mr. Chairman, we have looked reasonably sympathetically toward these people in this regard.

The other point raised by the hon. member for Red Deer concerned registration of charitable organizations. I think that the staff of my department is to be congratulated on the tremendous progress that has been made—I am speaking here of my officials—in the registration of charitable organizations in Canada. When the legislation was passed last fall—legislation which I think was good, and necessary—my department was faced with registering some 40,000 charitable organizations in Canada. We had to decide how to handle these organizations, whether we would hire new staff to handle them, or have close consultation with the charitable organizations themselves and try to move them through in as orderly a manner as possible.

We decided to adopt the latter course, and I think this has generally worked out very well. My hon. friend indicates that there are still hundreds not registered, but in cases where non-registration of a charitable organization is causing difficulty, if the organization will get in touch with my department they will be given special treatment. However, we followed the general policy of determining in connection with these charitable organizations when they collected most of their funds. We dealt first with those who collected their funds in the early part of the year and sent their registrations out to them, and we will deal with the others when we have more time.

In cases where changes have been made and funds were collected at a different time, or where special problems were involved, when hon. members such as the hon. member for Red Deer got in touch with my department I think they would have to agree that they received reasonable and fair treatment from the department in dealing with these problems.

In conclusion I would say that I think the people in the taxation division of the Department of National Revenue who have dealt with this matter have done a tremendous job to date, and I think they are to be congratulated.

Mr. Thompson: Mr. Chairman, might I make one or two comments; I think there has been a misunderstanding on one or two points I made. I was not criticizing the department in the latter instance at all. In fact, I said I found them very co-operative whenever I brought to their attention the problem of an organization which had not had its registration approved. What I was pointing out was that we are now in the sixth month of the year and that there are not only hundreds but several thousands of organizations which have not yet been dealt with. I was drawing to the attention of the minister that many of these organizations are presented with a real problem and perhaps were not aware that they could ask for special consideration. I put forward only the cases of those that I felt really deserved special consideration in view

of the volume of receipts that they issued. While the department may well be deserving of commendation, we have now reached the point where the situation must be cleared up very quickly.

With regard to funeral coaches, I was not talking of used coaches at all but of new coaches and some of the problems which are arising over the calculation of duty and tax. According to the regulations—I am not disputing this—if these vehicles are made in Canada—at least, vehicles of similar type, the imported vehicles would be subject to certain regulations which would not be the case if they were not made in Canada. The point is that when we do require equipment that is not manufactured in Canada, then I think every consideration should be given to the users of and dealers in such equipment, for proper tax exemption.

• (9:10 p.m.)

It is understandable that the volume of demand for funeral coaches, and particularly for proper funeral coach and ambulance combinations, is such in Canada that it will be a long time before we can manufacture them here. There is not sufficient demand to warrant the setting up of factories for their manufacture. That is why I brought this matter to the minister's attention.

Perhaps I did not make myself clear when I was speaking about sales tax. I was not particularly concerned about the small manufacturer, who is probably $100 over the minimum or $100 under it. I was referring to the apparent inability of the department—and this is probably owing to a lack of staff which makes impossible adequate supervision—to bring under inspection every business that is eligible to pay this tax. Many smaller manufacturers which are paying taxes are doing so in conscience or because they know of the tax regulations, whereas others which are not paying the tax may be deliberately avoiding its payment, or are not aware of the regulations. I draw this matter to the minister's attention because unless the matter of tax collection is properly administered the tax works a hardship on some but not on others.

This may be an administrative problem. If you talk to the tax officials in the hinterland, where the taxes are collected, they will be the first to admit and to understand this problem, and to express regret that such a situation exists.

I brought these matters to the attention of the minister because more attention ought to be paid to them, in order to alleviate the problem which affects this area.

Mr. Benson: If I might be allowed to say a word in reply to the hon. member for Red Deer, I wish to assure him that the problem of charitable deductions and registration is being cleared up as fast as it is physically possible to do so. The second matter he raised, with regard to new funeral coaches, I shall look into carefully with officials of my department and with officials of the customs and excise branch.

The third problem the hon. member brought up, with regard to the registration of firms for sales tax purposes, I can answer in this way. Due to our program of regionalization this year, it is estimated that during the year 1,000 new manufacturers will be admitted to the register—if that is considered an honour—under the sales tax legislation. I think, generally, that our administration will be improved.

Mr. Peters: Mr. Chairman, I wish to raise, in short order, three problems that are important. The first has to do with deductions in personal income tax. The situation in Ontario has become chaotic. Some, who receive insufficient income in one year to pay income tax, under certain circumstances receive enough revenue to pay income tax the following year, and a confused situation has arisen. The provincial department dealing with social welfare has not been able to cope with the problem that has arisen.

Another matter I wish to raise is that of simplifying the means test as it relates to the income tax form. Not all married couples live together. A man of 70 or 75 may be separated from his wife, and similarly a woman of 70 or 75 may be separated from her husband. They may have been separated for a long time. How is a spouse to know how much the other earned in any year, if that spouse cannot find the other? The department wishes to know what the combined income of the couple was. Of course, there is a form that may be filled out to show that a couple is separated and that one spouse has not supported the other; but getting involved with such a form is a complicated business and I think a simpler way of providing the required information should be found.

Perhaps on the application form a section for separated persons should be included. A number of people have asked me to get in touch with a husband or a wife, so that one could find out how much the other earned.

Often the information has not been forthcoming. Remedying this situation would be useful.

Consideration should be given to exempting non-profit organizations from the building tax. Specifically, I am thinking of a legion which decided to build family unit homes for some senior citizens. They had to pay the building tax. Surprisingly enough, the tax made a difference of $7 or $8 in rent. I should not think that there are too many non-profit organizations that would be affected by the removal of the tax; and I do not think tax collections would go down appreciably.

Every member of parliament, I believe, wishes for a simple income tax application form. The simpler the forms, it seems, the less even the Philadelphia lawyers can figure them out. It seems that the man in charge of the computer expects only those in the $30,000 and $40,000 bracket to be able to answer the form. Personally, I have advised people who have got in touch with me and who make that kind of money to fill out the form as best they can, send it to the department, and let the department figure out if there is anything wrong. There must be a better way of compiling tax forms and schedules.

Frankly I do not know how they calculate some taxes. I studied trigonometry, algebra and geometry, but I do not know the mathematics involved. It seems that the simpler the form is said to be, the more complicated in fact it is. The minister said that this year we should have the simplest form we have ever had. Well, even the accountants are not sure of what should be done. I should like to see the minister putting two or three of his best men to work on this problem, so that when we get our income tax forms next spring we will find forms that are simpler for us to fill out, rather than simpler from the point of view of the department.

Mr. Benson: Mr. Chairman, answering the hon. member for Timiskaming, I wish to say that several of the matters he raised are policy matters that come under taxing statutes, rather than under the administration of my department.

So far as welfare applications are concerned, and the matter of taxable income as well as the matter of simplication of the test with respect to the supplementary old age pension, that must be determined by the Department of National Health and Welfare.

As for the tax on non-profit organizations, that matter is to be determined by the government and this parliament before my department can consider it.

With respect to the matter of simplying income tax forms, I think the tax return form this year was simpler than ever before.

The reduction in error, other than with respect to the Canada Pension Plan entry which was included as a new calculation and caused trouble, was of the order of 60 per cent this year as compared with last year. Though the return may be complicated, most people had little trouble in filling it out. I wish to say that in Canada, I believe, we have the simplest tax return of any country in the western world.

Mr. Barnett: How simple?

Mr. Benson: The only way to make it simpler is to have simpler tax laws. In the long run I do not think that is possible, and I do not think that the forms will become simpler because the taxation system is becoming more involved. Believe me, if one were to heed some of the suggestions that have come to my attention, the tax returns would become very involved.

• (9:20 p.m.)

I should like to assure the hon. member that there are officials in my department who spend a great deal of time trying to find out where people have problems in connection with tax returns and trying to make the forms simpler for them to follow. But this is never a completely simple matter and all I can say is that we shall keep trying.

Mr. Webb: I know the minister is sympathetic in his attitude toward small businessmen—and here I do not have in mind the department's definition. I am not speaking of businesses handling $500,000 a year; I am speaking of small businesses handling $50,000 a year.

Could not something be done to change the heartbreaking and discriminatory legislation which at present does not allow a storekeeper, for example, to deduct wages paid to his wife when computing tax liability? I would say that more than half of our small businesses operate under this disability. I have in mind small town grocery stores which would be forced to go out of business were it not for the fact that the wives help the husbands to carry on.

The minister told us himself a few minutes ago about the ever increasing demands made by the governement in the taxation field. Someone has to do this work. If a clerk were hired to do it, his wages would be deductible. Could the minister not give this question

serious consideration? Throughout the country, especially in the rural areas, this is one cause of great dissatisfaction to a large number of people. I plead with the minister to give it his attention.

Mr. Benson: As hon. members will understand, this involves a matter of tax policy which has nothing to do with administrative decisions made by my department. I have a great deal of sympathy with the plea made by the hon. member. The situation he describes does not involve liability for income tax alone; it also concerns unemployment insurance. A small businessman may not deduct the expenses of a wife, though he may deduct salaries paid to his children. And he may not insure members of his family for purposes of unemployment insurance. If his business were incorporated, he could do this, and one solution might be to file a joint return. The ideas suggested in the Carter report, on which the government has made no decision, would probably clear up this kind of problem, though they might create many others.

Mr. Herridge: First, I should like to thank the minister for the personal attention he has given to any matter I have brought to his notice. This is good public relations. A number of people have written to me saying how much they appreciated having the questions they brought to my attention answered in detail by the minister or by some of his senior officials. One lady told me that she had never met anyone who could pick Canadian pockets so congenially and with such a winning smile. I appreciate the co-operation I have had from members of the staff of the department and also from members of the staff of the district office with whom I have discussed questions in respect of my own constituency—transportation, the best way to go here and there, and so on.

I was interested in the remarks of the hon. member for Red Deer with respect to charitable organizations. I have brought this matter before the house on a number of occasions throughout the years, because I have never been satisfied that all the organizations which are registered as charitable organizations really are charitable organizations. Could the minister tell us briefly the result of the study which was made of this situation? Would it be possible for hon. members to be given the names of the organizations which are now registered as charitable organizations, together with an indication of the formula used by the department to determine their eligibility under the terms of the act?

[Mr. Webb.]

The other thing I wanted to say was this. Although greatly increased amounts are collected in taxation every year, the efficiency of the department is increasing as a result of the introduction of various types of unusual machines. I have very little knowlege of how they work, but I have been through the building, have seen these machines in operation, and have seen the results.

It is fair to say that persons who work in a department such as the Department of National Revenue are doing something which has no drama attached to it—their work is related to figures and facts and to the interpretation of an exact law. I think the officials and the staff who work in the department are deserving of a great deal more credit than the people of Canada give them at the present time. It would make for good public relations if the Department of National Revenue would put out some booklet or pamphlet which could be sent to taxpayers when they receive their tax forms or correspondence from the department, a booklet which would indicate the vast increase which has taken place in the work done over the years and the efficiency of the staff in general in dealing with it. Some of the problems related to the administration of the department could also be drawn to the attention of the public in this way.

I offer this as a suggestion. Two or three people have spoken to me along these lines, feeling that such a move would assist the operations of the department, improve public relations and bring the administration closer to people who are more inclined to be irritated by its activities than pleased by its efficient operation of the law.

Mr. Benson: I have no doubt we shall be able to supply any hon. members who are interested with the names of the charitable organizations which have been registered up to the present time, within a reasonable period. We must bear in mind that the officials in this particular section of the department are working very hard to get the matter cleared up.

As to relations between our personnel and the public, we have been trying to do something about this over the last two or three years, at least since I have been minister, by means of an advertising campaign which has sought to make people understand that the officials in the taxation division are there to perform a necessary task. Basically, they are there to help the public meet its obligations as laid down by this parliament with regard to taxation. I think we have met with some

success in this regard and we shall continue to move along these lines.

I should like to thank the hon. member for his compliments with respect to myself and my department. The only way in which he could help me more would be by allowing the committee to pass these estimates.

• (9:30 p.m.)

Mr. Knowles: Mr. Chairman, it is difficult for me to look at the minister and not realize that he is also President of the Treasury Board. I realize, however, that on these estimates I cannot discuss a burning issue until he dons his other hat. For this reason I shall raise just one matter that comes under his responsibility as Minister of National Revenue. It is a matter we have raised before. I still hope it will be sorted out in a way that will cause less hurt to the people affected.

I am referring to the fact that quite a number of older people who have adjusted to a pattern of income tax payments discover that the addition of the old age security pension, or of some other pension payment, puts them into a category in which, if their tax is not paid quarterly, interest is added to it at the end of the year. The cases that have been drawn to my attention, and they have been many, all involve small amounts of money, $4, $5, $6, $7, or $8 as interest. I do not need to tell the minister how plaintive some of these letters are because I am sure he gets even more of them than I do.

I realize that the minister and the department argue that it is a kindness to people to urge them to pay their income tax quarterly rather than annually, and also that since most people have to make tax payments monthly, or even more often, through deductions at source, fairness demands that all people be treated the same way. But in actual fact what happens is that some of these people go along for two or three years without being required to do this. They make their income tax payments at the end of the year and are notified that the payments are satisfactory. Then all of a sudden comes a year when they get a bill for $4, $5, $6, $7, or $8 interest.

I am not trying to lay down the law to the minister. All I am suggesting is that the problem be looked at with sympathy for the position of these people. One suggestion I do make is that at least people be warned that this can happen. I hope the minister will not tell me that this is a matter of income tax policy. But even if it is, he could discuss it with the Minister of Finance.

I realize that old age security is taxable. At the moment I am not arguing about that. But this is the element which requires many older people to pay income tax quarterly, or to pay interest after believing they have computed the right amount of tax that they owe. As a matter of fact in all the cases that have been drawn to my attention, with the exception of the interest the taxpayers had computed their tax payments accurately. Older people have many other things to cope with, such as the rising cost of living, and it is a cruel blow when they have to pay this amount in interest. Maybe older people who are already in a different category because of the $500 extra exemption they receive over age 70, might be given a different status with respect to this matter.

Mr. Benson: Mr. Chairman, I would simply like to say that this problem was a very difficult one when I first became Minister of National Revenue, but it has become somewhat of a lesser problem because of some steps we have taken. One of the things we have done is that when people are sent their first old age security cheques they are also forwarded a notice telling them to look to see whether they now become subject to payment of income tax in instalments.

As my hon. friend indicated, this often is the case because these people have small incomes. They get $900 a year extra and so become taxable and subject to quarterly instalments. I am not speaking on behalf of the government on this point because I am not authorized to do so, but I would be very pleased personally if this parliament said that the Minister of National Revenue was not responsible for collecting instalment interest under $5 in amount that may be due by any individual taxpayer. This would clear up a lot of these problems, and the amount of revenue involved would not be great. However I should indicate to my hon. friend that under the existing law it is the duty of the minister and of the officials in his department to apply the law as it exists, so that if somebody owes $1.50 we have to send him a bill for it. I think it is possible to do something in this regard. Indeed we have already done something, through co-operation with the Department of National Health and Welfare, by sending out these notices with the first old age security cheques.

Mr. Knowles: I thank the minister for the suggestion that he has made. What pleases me is that the Minister of Finance is sitting pretty close to him and seems to have listened

intently to the suggestion. There is already provision whereby if a person computes his tax to within $1 up or down from what it should be, no payment is required or no refund is made. Surely a way could be found to do away with interest payments of less than $5.

Mr. Sharp: The Minister of National Revenue is afraid of the Auditor General.

Mr. Knowles: I do not think it is the Auditor General he is afraid of at all. I think it is the Minister of Finance he finds hard of heart, but perhaps this kind of public appeal from one minister to another right on the floor of this chamber may bear fruit.

Item agreed to.

Tax appeal board—

10. Administration expenses, $193,400.

Item agreed to.

The Assistant Deputy Chairman: This concludes the estimates of the Department of National Revenue.

Mr. Benson: I would like to thank hon. members for their co-operation in assisting me in the consideration of these estimates by the committee and for the constructive comments they have made in regard to them.

Mr. Knowles: It won't be so easy when you come down as President of the Treasury Board.

DEPARTMENT OF PUBLIC WORKS

1. General administration, including grants as detailed in the estimates, $19,734,600.

The Assistant Deputy Chairman: Vote No. 1 will be found at page 420 of the blue book. The details thereof are listed at page 432. Shall vote No. 1 carry?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Chairman, as hon. members know, the estimates of the department have been reviewed by the standing committee on housing, urban development and public works. This is the first time the estimates of the Department of Public Works were placed before an estimates committee, and I believe from my own observation that it was a useful procedure for all who participated. I also believe it will be a useful technique in the years ahead, in providing some of the detail that is desirable and necessary in order to have a critical examination of the estimates.

In addition to the opportunity to discuss the estimates in the standing committee an undertaking was given by me that when additional information becomes available later in the year on one of the main items an opportunity would be provided for the committee to get that information and deal with it, either by referring the annual report to the committee, or some other procedure of that nature. That is also a new departure and will provide an opportunity for dealing with a subject when the information is not available on the first occasion.

• (9:40 p.m.)

The details of the estimates were prepared almost a year ago and since that time we have implemented a major reorganization of the department. The functional branches as described in the blue book, therefore, no longer exist. They have been replaced by an organization based upon the sequence of operations which applies to each project and upon a decentralization of authority to six regional offices. The sequence of operations is reflected in the headquarters directorates which are program planning, design and operations. When these three necessary functions have been completed for each project, the regional offices then assume the responsibility for constructing the work and for its subsequent operation and maintenance. A fourth new branch in headquarters is program evaluation which is important in view of the substantially increased delegation of responsibility and authority to the decentralized unit.

As I have mentioned, the duties of the administration in the blue book do not correspond with the new organization, and therefore the allocation of personnel as shown in the blue book does not correspond with the new organization. In taking together all the votes for which personnel establishments are required, we anticipate that we will be able to implement the new organization with no increase in the number of positions beyond what these positions were prior to the reorganization. In future years, our personnel establishment will, of course, have to be regulated by the work load; however, we expect to be able to handle greater work loads under the new organization without an increase in personnel.

The total increase in the estimates over last year is $15.7 million. Most of this increase is attributable to the cost of providing accommodation for other government departments. With reference to accommodation for the departments, we are working within a long

term plan which will enable us to meet the requirements of the departments by constructing new buildings and at the same time maintaining a reasonable balance with accommodation leased from private owners. There is a backlog in this activity, and the increase in our building construction appropriation reflects our efforts to catch up.

The expenditure on harbour and river engineering services in the present fiscal year will be about the same as in previous years. There are several large harbour projects under this heading such as those at Long Harbour, Newfoundland; Belledune Point, New Brunswick; and Gros Cacouna and Matane, Quebec, which are of great importance in connection with local industrial development and consequent transportation requirements. We will also, of course, be constructing a large number of small projects which are not listed individually in the details of the estimates since the requirement is that only items in an amount of over $50,000 are listed.

I could extend my remarks, but I think it probably is the wish of members of the committee that I do not do so at this stage. I shall be pleased to give all the information I can in answer to the questions which are asked. I shall be very glad to hear the views of hon. members on this subject.

Mr. Keays: Mr. Chairman, we have just heard the minister refer to the fact that this is the first time the estimates of his department have been referred to a standing committee. I am sure that this move is one which is well appreciated by the members of the house. However, we feel that the time given to the study of the estimates in committee was not sufficient. We hope we will have the opportunity—and I believe the minister already has committed himself in this regard —to study the last annual report in the committee. Therefore, when the house meets in the fall we will be able to continue our study of the estimates of the department as well as the organization of the department.

While making my few remarks I should like to ask the minister to convey to his officers and staff expressions of gratitude from the members for the long, arduous and sometimes tedious hours they spend in the interests of the public and Canada. I realize fully that they are not working for a private enterprise where decisions can be taken quite quickly. With the red tape which sometimes must accompany government legislation, I am sure that they too often must feel that some of their time is being wasted. We do, however, appreciate their efforts.

I should like to say at this time that I was very happy to hear the statement made by the deputy minister when he explained in detail to the members of the committee the reorganization of the Department of Public Works. This department is becoming more and more important in the administration of government. Naturally there are the dangers of too rapid an expansion and also the possibility of failures due to the shortage of experienced and specialized staff in the administration. However, the move which has been made I believe is one which had been recommended to the government. As I look at the records prepared by the deputy minister it would appear that they have covered the reorganization of the department in such a way that it is systematic enough to be able to handle the present work load which they have and the additional load which may be placed upon the department as the years go by.

This reorganization is divided into planning, design, and then construction and operations. I am very pleased that we have given to the regional and district officers more authority than they have had in the past. This country which is spread over many thousands of miles is one where at times its distances cause many inconveniences. Through the establishments of regional offices it will be possible to make decisions on certain matters more quickly and this will be to the benefit of the general public. I am also happy to note that these offices will have more leeway in respect of decisions involving expenditures up to a certain amount. I know that so long as these regional and district officers are not subject to the pressures of political patronage they will render a great service to the people.

• (9:50 p.m.)

This reorganization which I have just mentioned is one which certainly is more in line with good business practices. It is one which is more in line with well tried and acknowledged procedures in the business world. This would bring about great savings and the elimination of a duplication of services by home offices or in the field.

For many years I have been worried about the duplication of services which exists in various departments of the government. Some six or seven years ago as a member of the committee on public accounts I asked how many architects were engaged by the Canadian Broadcasting Corporation. At that

time the officials said there were approximately 90 employed. With the new procedure and responsibility given to the Department of Public Works I am sure there will be an elimination of the duplication or multiplication of the work of architects, draftsmen, engineers, either mechanical or electrical, researchers, specification writers and the staff of the procurement branches of different departments.

As a result of the adoption of this policy there will be created certain agencies specialized in certain fields of activity. Surely this can only lead to savings, better administration and solutions to the problems which face so many Canadians, and I refer to the taxpayers. When the government tends to economize and continuously searches for ways and means to save the taxpayers money on behalf of the Canadian people, it is doing a good job.

How many branches of departments of government have their own architects, engineers and draftsmen? The duplication of service in this regard could be eliminated if these efforts were centralized in the Department of Public Works. There are very many services which are of a specialized nature. I am thinking particularly of services performed for the Department of National Defence. If centralization could be brought about, all the departments of government would require only a small staff with a very few consultants who could keep in touch with the officers of the Department of Public Works, who would advise them as to their requirements in respect of buildings and other things. I am sure these officers of the Department of Public Works could do this job as efficiently, with a greater savings of the taxpayers' money.

Some of the recommendations of the Glassco commission in respect of the Department of Public Works were very interesting. The first I should like to mention related to the processing and control of mail. The report suggested that statistics now reveal that the cost of processing mail is $79 for 1,000 pieces in the Department of Veterans Affairs, and $472 for 1,000 pieces of mail in the Department of Public Works. The statistics also revealed that the cost of processing outgoing mail in the Department of Agriculture and the Department of Citizenship and Immigration was approximately $2.40 and $1.70 for 1,000 pieces respectively. The statistics showed that this cost in respect of the Department of Public Works was $16.50. This amount is the result of some expensive practices. I am sure this information has been considered, but we would be very interested to find out just how the situation has been improved.

In respect of the Department of Public Works acting as a purchasing agent for all departments of government, I believe it could specialize in the fields of construction and maintenance. In my opinion it is sensible that the purchasing for all government buildings, owned, leased or operated by the government, could be done by the same department. In looking at the same report I note there is an expression regarding the Canadian Broadcasting Corporation. In the view of the commissioners the scope of the corporation's engineering activities should be limited to technical areas directly related to broadcasting.

I believe these recommendations reinforce the argument that I have been trying to advance, that one department should have the technical and professional men needed to carry out these requirements for all departments, including those associated with the acquisition of land for all departments. I am sure if the Department of Public Works had the authority and responsibility of acquiring land it could specialize in this field and act in such a way as to protect the public from unnecessary expenditures. The question of rentals and other facilities is again a specialist field. I am sure that if the department took on the responsibility for all leasing we would receive much better service.

• (10:00 p.m.)

One very interesting recommendation of the Glassco commission concerns the elimination of Crown Assets Disposal Corporation. If a department such as public works is in charge of the procurement and purchase of all material needed in structures occupied by the government, it is logical that the department should also be in a position to dispose of any surplus equipment owned by the government of Canada. We could save the Canadian taxpayer many thousands of dollars by eliminating Crown Assets Disposal Corporation.

The final recommendation of the Glassco royal commission was that the Department of Public Works be made responsible for the planning and supervision of all construction required by civil departments and agencies and the employment of all professional, technical and supporting staffs needed for such purposes; that it be responsible for the planning and supervision of construction for the Department of National Defence of all classes of property other than those at present provided for through the planning and construction staffs of the armed forces. We are very

anxious to go back into committee at a later date in order to inquire of the minister and his officers exactly how many of these recommendations have been implemented and how many are in the process of being implemented.

In the committee I gave notice that I was interested in hearing from the minister the policy the government has adopted concerning the construction of marinas, or the subsidies and grants that would be made available across this country to those interested in constructing marinas. As everyone knows, more and more people now have extra time on their hands. These people are interested in boating and they are travelling quite a long way in pleasure craft. They need protection as they travel along our coastlines and our larger lakes.

Not very many months ago the minister wrote me a letter stating in general the policy of the department in so far as help in the construction of marinas was concerned. At that time my immediate reaction was that there was a lack of regional approach to such a policy. Any policy concerning marinas applies right across the country. I am sure, Mr. Chairman, you will agree with me that if all policies of the government were applied across the country, without any regional consideration, we would not be rendering a service to the Canadian people.

In certain large metropolitan areas near the water marinas are built and operated at the expense of the boat owners. However, in other regions inhabited by people of limited means who work only 40 or 45 hours a week recreation is necessary, and if these people decide to go boating they need protection and the necessary structures to do so. Therefore I hope the letter which the minister wrote to me reflects a flexible policy which will not deprive many of our Canadians of the right to enjoy marina construction and marina privileges in their areas.

Another policy on which I should like the minister to comment concerns protective walls. This is a policy which no doubt has caused many headaches to the department, but at the same time it has caused large losses to many of our people who own land along the navigable waters. Ten or 15 years ago the government built protective walls in many of these areas, but since those days they have not been repaired or reconditioned. The result has been that the land owned by some of these people is being gradually eroded, and although the department may consider that a protective wall should only be built in an area where the cost would be justified in comparison with the value of the land to be protected, it seems to me we are forgetting that many of these people may not have the necessary income or the possibility of being able to move elsewhere.

Mr. Knowles: Ten o'clock.

The Assistant Deputy Chairman: It being ten o'clock, shall I rise, report progress and ask leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Resolutions considered in committee of supply this day reported and concurred in.

• (10:10 p.m.)

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, with the consent of the house may I say I understand that my hon. friend the house leader, who had to leave us a few minutes ago, has had some discussions with hon. gentlemen opposite and there is a general feeling that it would be desirable tomorrow to sit from eleven o'clock till 2.30, to recess until four o'clock and to sit from four o'clock till six o'clock. If that is the general wish of the house I wonder whether it could be so ordered. I do wish to put it in the form of a motion which I now hand to Your Honour.

Mr. Deputy Speaker: It is moved by the Minister of Transport, seconded by the Minister of Public Works:

> That, notwithstanding any standing order, tomorrow's sitting of this house shall be as follows: from 11 o'clock a.m. until 2.30 o'clock p.m., and from 4 o'clock p.m. until 6 o'clock p.m.

Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: It is so ordered.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

FISHERIES—"OCEAN TRAVELLER"—CHARTERING OF VESSEL BY RESEARCH BOARD

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, on June 19 I asked a question of the

Minister of Fisheries that Your Honour suggested was not acceptable in the period before the orders of the day, and pointed out that if I considered it to be a matter of urgency I might give notice to raise it at this particular time in the day's sitting. June 19 is ten days ago now, and my question involved the chartering of a boat by the Fisheries Research Board.

I based my question on a communication that I received from the Vancouver island organizer of the United Fishermen and Allied Workers Union in which he intimated that he understood that the motor vessel *Ocean Traveller* was to leave Victoria on June 19, the day I raised the question, under charter to the Fisheries Research Board. The communication stated that this vessel had been strikebound since March 17, and, so that I could advise the union, I asked whether it was government policy to charter strikebound vessels.

I noted after I asked my question that I was some way down the list, and I thought that the *Ocean Traveller* might be half way to Japan by the time I had the chance to raise the question, if, in fact, the charter had been made by that body. So my question was, in part, to confirm or otherwise whether or not the Department of Fisheries, through the Fisheries Research Board, was responsible for this charter.

Therefore I asked the minister whether the Fisheries Research Board has under charter a motor vessel called *Ocean Traveller* and, if so, whether it has put to sea despite the fact that according to the United Fishermen and Allied Workers Union it has been strikebound since March 17.

If the charter was arranged as alleged, I should like to point out, Mr. Speaker, that I have been given to understand that it and a number of other vessels were involved in a dispute in which the United Fishermen and Allied Workers Union was concerned in the Victoria area. According to the information that was given to me, the owners of some 29 vessels had signed an agreement and made an arrangement with the union in respect of their employees since the dispute was commenced, which I assume to have been March 17; that the vessel, with the blessing of the union, had gone to sea, but that this particular vessel was not among those which were involved in any settlement with the union. The question therefore arises whether the government has been involved in the chartering of a strikebound vessel.

[Mr. Barnett.]

I have listened to many discussions in the house in which spokesmen of Liberal administrations indicated that it was their government's desire to maintain a position of meticulous neutrality in various kinds of disputes. I also wish to draw to the attention of the house that relationships in the fishing industry between employers and fishermen, and various companies and business interests, have been in a sorry state for some time and that little has been done to resolve the matter except for the perennial amending legislation to the Combines Investigation Act which provides a sort of umbrella under which investigations can be conducted.

I remind the house that under the publication date of November, 1964, we made available to the house, with some fanfare at the time, a small review of information relating to the problems of wage and price disputes in the British Columbia fishing industry. The publication was prepared by a federal-provincial committee on wage and price disputes in the British Columbia fishing industry.

Some of us assumed at that time that this publication heralded some positive formulation of policy which we hoped would bring order to the matters that were involved in the negotiations between the employing and working interests of the fishing industry of British Columbia. So far as I know, since the publication of this report no positive steps have been taken by the federal or provincial governments. That being so, I suggest that the federal government, considering the lack of action which has been taken to clarify the jurisdictional and other matters involved—

Mr. Deputy Speaker: Order, please. I must inform the hon. member that the time allotted to him has expired.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, in the absence of the Minister of Fisheries it falls upon me to reply to the hon. gentleman, in my exalted capacity as acting minister. I am afraid I cannot go into any of the larger questions the hon. gentleman appended to his original question, because I am not sufficiently well informed to do so.

I am informed by the Department of Fisheries that the *Ocean Traveller* is under charter to the Fisheries Research Board. It is to do research on shrimp. This operation is in no way connected with the issues of the present strike. Tenders were called before the

vessel was strikebound and the *Ocean Traveller* submitted the lowest bid and was accepted. There is no question of catching or selling fish; it is purely a research operation.

TRANSPORT—INCREASE IN FERRY RATES, NEW BRUNSWICK-PRINCE EDWARD ISLAND

Mr. David MacDonald (Prince): Mr. Speaker, I see that the Minister of Transport is playing a double header tonight. Though he said he had been raised to the exalted position of acting Minister of Fisheries, in the answer he gave just now, I hope that he will listen to me in his capacity as Minister of Transport, because it is in that capacity that I wish to direct to him a question, the answer to which I have been attempting to obtain on every day of this week, beginning with Monday.

• (10:20 p.m.)

The headline on the editorial page of the Charlottetown *Patriot* last Saturday read: "Pickersgill Pickles Probe and Raises Ferry Fares." It is not hard to understand why the Minister of Transport should have issued his press release at a time when there was little opportunity to comment. I am not sure precisely when this press release was issued, but it seems it went out surreptitiously on Friday afternoon. In the course of this release he announced that a proposal which has been under consideration for some time will be followed through, and that there would be a substantial increase in ferry rates.

The minister himself did not think it was substantial. In answer to a question of mine yesterday he referred to it as being a very modest increase. Surely an increase of 33⅓ per cent, from $3 to $4 for a visitor and auto, is not an inconsequential one to those who from time to time use this ferry system as the only means by which they can transport themselves and their vehicles between Prince Edward Island and the mainland.

The minister has on more than one occasion referred to this contemplated increase as a modest one. He is right, in one sense, because if we compare the amount which will be gained from this increase in revenue with the amount of the subsidy which is paid annually to provide the service I doubt whether in the coming year it will amount to as much as 2 per cent.

It is difficult to understand why the minister has taken this action, particularly when it follows only a few days after another action involving a further delay in the construction of the Northumberland strait crossing. If the people of Prince Edward Island ever felt that a government in Ottawa fails to consider their needs and the many problems which face them, particularly with regard to transportation, surely in the past few weeks they have been strengthened in reaching such a conclusion. I think there is a question in the minds of many as to whether, when the government commits itself to one method of acting, it will follow through with its undertakings.

From time to time during the past year we have heard affirmations from the minister that a commission headed by Mr. Henry J. Darling would meet with all those affected by any possible increase in ferry rates. In May of last year, in answer to the junior member for Queens (Mr. Macquarrie), he told us there would be a meeting of the commission to hear protests of this kind. Even as recently as April of this year, asked whether it was the intention of the government that hearings be held by the Canadian Maritime Commission into the rates charged on the ferry service, the answer was, yes.

In the light of these affirmative answers it is difficult to understand why the government would unilaterally, apparently without even notifying the provincial government, adopt a stance which at the very least shows a degree of insensitivity to the difficulties faced by Prince Edward Island in keeping a continuous link with the mainland.

Last year in the house I said there might be some sensible way in which a change could be made. The minister has provided, in this contemplated revision, that books of ten tickets would be made available to those using them within a two month period. It is true this would lower the cost to active shippers. But I am just as much concerned about those who travel less often, perhaps to visit family and friends in the same way as many of us drive from town to country and from country to town. If these books of ten tickets were valid for one year, the arrangement might have been agreeable and acceptable to those concerned.

Another possibility which might bring in just as much revenue as that which is now contemplated is an increase in fares on a temporary basis covering the active tourist season. When tourists have occasion to use the ferry only once or twice during the course of the year they probably would not mind paying an additional dollar or so, but to Prince Edward Islanders and maritimers generally this increased burden of 33⅓ per

cent, without any opportunity for a close examination of it by those critically affected, seems to be most unwarranted and most unfair.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the hon. gentleman made two points. One was that it had been the intention at one time to have an inquiry before any change was made. Two circumstances altered the view of the government, and my view as minister, about that. No representations were ever made to the government in any earlier period about there being any hardship through increasing the rates on ordinary motorcars for casual and occasional crossings. Considering the price of everything these days I do not think that a nine mile trip on a boat at $2 is very excessive. In fact I do not think the Prince Edward Islanders would like it to be represented that even they could not afford that for casual and occasional trips.

What we were concerned about, and properly concerned about, was the question of people who used these ferries commercially. We came to the conclusion that we had found a method that ought to be tried out before there would be much sense in having an inquiry into it, and that method, of course, involves no increase for anyone who makes ten trips in a two month period.

I also indicated in my statement the other day, and I do not think it is necessary to repeat it at this time and put it on the record again, that if there were cases of hardship, for instance of farmers delivering their own products where they would not be covered by this ten ticket arrangement, we would take a very sympathetic look at them; and we intend to do that. So far as the increase on casual, occasional crossings of an extra $1 on the round trip is concerned, I think it is still the cheapest trip on a boat anywhere in the world today, certainly anywhere in the western world.

A week has gone by and the hon. gentleman, as a good and assiduous representative of his riding, has done his best to keep this question alive. But the fact is that up to the last time I checked I had not received one word of protest from anyone in Prince Edward Island to suggest that my assessment of the situation, which is naturally the assessment of the government also, is far out. I think the hon. gentleman should be given full marks for trying.

Perhaps the hon. gentleman should devote himself to larger questions, and I would remind him that in the supplementary estimates brought down yesterday there is another $2½ million to be used to build all-weather roads in Prince Edward Island. I think that any little inconvenience from this ferry rate increase will be far more than offset by that good news of yesterday, added to the additional service that is to be provided for the summer months of this year.

EXTERNAL AFFAIRS—REPORTED INVITATION TO VISIT SOUTH-WEST AFRICA

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question arises out of an article in the January-February-March Report on World Affairs, issued under the authority of the general council of the Commonwealth Parliamentary Association. In that report I came on the following paragraph, referring to South-West Africa and South Africa:

> Another move in the diplomatic offensive by South Africa to project a favourable picture of South-West Africa to the world was the invitation extended by the foreign minister, Dr. H. Muller, to ambassadors of all countries represented in South Africa to visit the booming territory and "see for themselves". Dr. Muller said that the government's attitude was that there was no aspect of South Africa's policy, either in the republic or in South-West Africa, that it need hide.

There was another paragraph which read:

> Meanwhile in February the South African government had invited the diplomatic missions in Pretoria to visit South-West Africa to see for themselves what was being done for the indigenous inhabitants. By the end of March none of the diplomats had accepted the invitation, largely because they feared that such a visit might be construed as recognition of South Africa's right of jurisdiction over the territory.

• (10:30 p.m.)

It might be suggested that the only possible visit to that area should be under the auspices of the United Nations. This, however, is not likely to happen because a mission from the United Nations went to South-West Africa in 1962. On invitation of the South African government the chairman and vice chairman of the special committee for South-West Africa, Mr. Victoria Carpio and Dr. Martinez de Alva, went to South-West Africa and, after a ten day visit issued a joint communiqué with the South African government in May 1962. This communiqué stated that they had found neither evidence of genocide in South-West Africa nor of militarization of the territory in violation of the terms of the mandate, and that there was no threat to international peace and security arising from South Africa's administration of the territory.

This report was immediately objected to by the United Nations and the two delegates were repudiated by that organization and by their own countries. So the United Nations carried on with the program, with which they seemed determined to proceed. The Canadian government in the most recent votes, admittedly, has abstained. They have not, however, opposed a policy which is totally unrealistic and one which involves a danger to world peace and security. South-West Africa has therefore been turned over to the mercies of the United Nations. Recent events have shown us the inadequacy of the United Nations to even maintain a peace keeping force in a troubled area. Where it will obtain the strength and power to undertake the task it is setting for itself is something I do not know.

I believe the Canadian government and the Department of External Affairs should be seriously concerned about the policy that is being set by the United Nations. The only question was whether the invitation had been received and, if so, whether it had been declined, because it would seem to me that a visit by the Canadian representative would serve several useful purposes. It would either corroborate or deny the earlier report of the United Nations representatives who went to South-West Africa. It would also provide the Canadian government with a better source of information for any future action at the United Nations.

Mr. Gérard Pelletier (Parliamentary Secretary to Secretary of State for External Affairs): The answer to the question, Mr. Speaker, is that the Canadian ambassador in South Africa did receive such an invitation from the South African government on March 1, but no formal reply has as yet been given to it.

Motion agreed to and the house adjourned at 10.35 p.m.

[The following items were passed in Committee of Supply this day:]

DEPARTMENT OF NATIONAL REVENUE

1, 5, 10.

HOUSE OF COMMONS

Friday, June 30, 1967

The house met at 11 a.m.

INDUSTRY, RESEARCH AND ENERGY DEVELOPMENT

Second report of standing committee on industry, research and energy development—Mr. Hopkins.

CANADIAN CENTENNIAL

RECEIPT OF LETTER OF CONGRATULATIONS FROM LEGISLATURE OF INDIA

Mr. Speaker: Before calling orders of the day may I take this opportunity to advise hon. members that I have this morning received from the Speaker of the Lok Sabha of India a letter conveying the warmest congratulations of that body on the occasion of our centennial year. I intend to advise the Speaker of the Lok Sabha of the gratitude of members of the House of Commons to the members of the Indian legislature for their courteous action on this occasion.

Some hon. Members: Hear, hear.

HOUSE OF COMMONS

REQUEST THAT PROCEEDINGS BE TELEVISED

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would now ask the Prime Minister whether consideration has been given by the government to the question of having the house welcome television cameras for the purpose of assuring that across this country during centennial year the boys and girls may have some idea of the operation of parliament. We on this side of the house give this our full support, and I am sure all the Prime Minister has to do is act and action will be taken.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the other day I received a copy of a memorandum from an officer of the C.B.C. outlining in some detail how a special program of this kind on the operations of parliament could be undertaken. I believe it was addressed to Your Honour as Speaker, and was referred to me.

I was much impressed by the proposal in the way it was put forward, and I have been discussing it with our own house leader. But it seems to me that to have a program of this kind undertaken next week, which would have to be on Tuesday, Wednesday, Thursday or Friday, at a time when the house is not likely to be as crowded as is normal would not be the best occasion; especially in view of the plans that were put forward which could and I believe will be very impressive when they are carried into effect. I would think, Mr. Speaker, it would be better to have this done when we resume next September, which I hope would probably be the month.

Mr. Diefenbaker: Mr. Speaker, does the Prime Minister not think the presence of the television cameras might account for a larger attendance here? Members would not dare stay away.

TRADE

CONSIDERATION BY HOUSE COMMITTEE OF PROPOSED TARIFF CHANGES

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. In view of the far reaching effects which the Kennedy round of negotiations will have upon the economic life of Canada, is it the minister's intention to send the proposed tariff changes to the standing committee on finance, trade and economic affairs before final approval is sought from parliament?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, that would be a matter for the Minister of Finance, and I think he intends to deal with these tariff items by way of budget and consideration in the house. The standing committee has just completed its study of the estimates of the Department of Trade and Commerce, and I do not think these changes need be referred back to it from my department. If they need to be referred to it from the Department of Finance, that is another consideration.

Mr. Douglas: Mr. Speaker, may I ask a supplementary question of the Prime Minister. In view of the fact, as I understand from members of that committee, that an

assurance was given to it that these Kennedy round negotiation changes would be submitted to the committee in order that the general public might have an opportunity to make representations, would the Prime Minister take whatever steps are necessary to see that the committee is given an opportunity to examine these proposals?

Right Hon. L. B. Pearson (Prime Minister): I will discuss the matter with my colleague, Mr. Speaker.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): As a further supplementary question to the Minister of Trade and Commerce, Mr. Speaker, is the minister planning a series of meetings with the leaders of business and industry that will be affected by the wide ranging tariff cuts on imported materials, considering in particular the drastic effects on Canadian manufacturing and industry in textiles, plastics, chemicals, fine papers and other major lines which will be hard hit by the reduction of tariffs especially against the United States?

Mr. Winters: Yes, Mr. Speaker, we do propose to tell the business community of the great opportunities that arise from these tariff cuts.

Some hon. Members: Hear, hear.

Mr. Winters: I should remind the hon. gentleman that in the particular areas he mentioned the concessions granted by Canada were relatively modest.

Mr. Diefenbaker: Whether relatively modest or not, is there going to be consultation with business—

Mr. Winters: I said yes, Mr. Speaker.

Mr. Diefenbaker: —and is the minister in a position to say what effect these reductions will have in making Canada even more subject to American control?

Some hon. Members: Oh, oh.

VETERANS AFFAIRS

INQUIRY AS TO REPORT ON PENSION COMMISSION

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, in the absence of the Minister of Veterans Affairs I should like to direct a question to the acting minister. Since the minister previously stated that he expected the Woods report to be tabled by the end of June, has he any further information for the house or for the veterans on this matter at this time?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I shall be glad to take this question as notice and have a reply for my hon. friend early in the week.

TELEVISION

TORONTO, ONT.—REPORTED APPROVAL OF ADDITIONAL OUTLET

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, my question which is for the Secretary of State is in two parts. It concerns the television channel at Barrie. In spite of the quite proper reluctance on the part of the government to interfere, I wonder whether the minister would not consider that perhaps this matter should be held in abeyance until the question of educational television is settled. Second, has the minister received representations from the metropolitan educational television association in Toronto on this matter?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, the procedure followed by the B.B.G. now is that there is an application to the Minister of Transport which must bear his signature and subsequently must bear my signature before it goes to the cabinet for approval or any other action. With regard to the second part of the question the answer is yes; I received such representations this morning.

Hon. Michael Starr (Ontario): Mr. Speaker, I have a supplementary question for the Secretary of State. In view of the complaints to the effect that others who intended to forward or who had forwarded their applications were not given consideration in connection with the outlet in Toronto, can the minister say whether the government will give consideration to that aspect; or are they just prepared to go ahead and allow this pay-off to the trio from Barrie to be consummated?

Miss LaMarsh: Mr. Speaker, I cannot tell you what kind of consideration my colleagues would give to it but as a resident of southern Ontario you may be sure I will be giving it plenty of consideration.

HIGHWAY SAFETY

INQUIRY AS TO CONSIDERATION OF COMMITTEE RECOMMENDATIONS

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in view of the fact that statistics published this week demonstrate that in 1966 we set a record in Canada for highway deaths and injuries, and in view of the fact that the same statistics show that in the first half of 1967 we are establishing an all time new record, I would like to ask the Minister of Industry whether the government now is seriously considering the implementation in the near future of the recommendations in this regard of the committee on justice and legal affairs.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, we have been holding discussions on this matter with the provinces, and it would be my hope that in the not too distant future positive action will be able to be announced.

Mr. Barry Mather (New Westminster): Mr. Speaker, as a supplementary question I should like to ask the minister whether progress has been made in respect of the setting up of the federal board recommended by the committee on justice and legal affairs, which would concern itself with all matters of motor vehicle safety.

Mr. Drury: Mr. Speaker, I think my answer to the previous question covers that point.

CANADIAN NATIONAL RAILWAYS

SASKATCHEWAN—REPORTED SHORTAGE OF BOX CARS

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, yesterday I asked a question about complaints of a lack of box cars on C.N.R. lines to take grain from congested country elevators. Can the Minister of Trade and Commerce say whether this problem has been drawn to the attention of the Canadian Wheat Board?

Hon. Robert Winters (Minister of Trade and Commerce): Yes, Mr. Speaker. I am pleased to advise the hon. member that last night seven box cars arrived at Nokomis on the C.N.R. line. The railways are aware of the situation at this delivery point, and have assured the Canadian Wheat Board that there will be an increased number of box cars arriving at Nokomis in the next few weeks.

Inquiries of the Ministry

EXTERNAL AFFAIRS

PROPOSED SALE OF ARMS BY RUSSIA TO ARAB COUNTRIES

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, my question is for the Secretary of State for External Affairs. Does the minister have any knowledge of plans on the part of the Soviet union to sell arms and other military material to the Arab bloc countries?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have some information on that subject.

Mr. Sherman: May I ask a supplementary question, Mr. Speaker. Does the minister intend to make it plain that this country would view with considerable alarm any sales or negotiations in this respect, and would regard such as a direct contravention of the spirit of the United Nations cease fire and the peace efforts which are being made in that area of the world?

Mr. Martin (Essex East): Mr. Speaker, when speaking on behalf of the Canadian government at the United Nations general assembly I urged that there be a halt in the sale of arms by all countries to nations in the Middle East. I was able to point out at the same time that it was not the policy of Canada to sell arms to any country in that area.

ADMINISTRATION OF JUSTICE

TILCO DEMONSTRATORS—SUGGESTED GRANT OF CLEMENCY

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I have a question I should like to address to the Solicitor General. In view of the manner in which the cabinet exercises clemency and extends mercy to convicted murderers, I should like to ask whether the cabinet at this time during centennial year would graciously grant amnesty to the men of the Tilco plant at Peterborough who were convicted of illegal picketing in the wake of a mass demonstration.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I am not aware of any application that has been made for pardons on behalf of these men. If an application is made it will receive the usual careful consideration.

Inquiries of the Ministry

INDUSTRY

EFFECT OF TARIFF REDUCTION ON REPLACEMENT AUTOMOBILE PARTS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is for the Minister of Industry. In view of the recent trade agreement under which Canada agreed to lower the duty on replacement car parts from 25 per cent to 15 per cent, can the minister say whether this is a first step in the movement toward free trade in replacement car parts?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think the house is aware that during the course of the fall the agreement respecting trade in automobiles and automotive parts will be reviewed. During the course of that review there is no question but that the situation in respect of replacement parts will be examined. I should not like at this time to attempt to anticipate what might be the outcome of this review.

Mr. Hales: I have a supplementary and related question. In view of the fact that Canada gives the car manufacturing companies of Canada a concession of $50 million per year, and in view of the statement the minister has often made, when can Canadian car buyers expect to be able to buy Canadian made cars at a reduced price?

Mr. Drury: As I informed the hon. member the other day when this question was raised in the committee, the so-called gift of $50 million to automobile manufacturers was in fact passed on to the consumers in the first year in the form of reduced prices.

Some hon. Members: Oh, oh.

BRITISH COLUMBIA—INFORMATION RESPECTING DEPARTMENTAL ACTIVITIES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to ask the Minister of Industry whether he is now in a position to answer the question I addressed to him recently.

Mr. Speaker: Order, please. Perhaps the hon. member would indicate what the question is because I am suspicious it might be one which was ruled out of order.

[Mr. Pennell.]

[*Translation*]

SHIPPING

ST. LAWRENCE SEAWAY—SPECIAL MEASURES RESPECTING PASSAGE OF ROYAL YACHT

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I would like to put a question to the Minister of Transport.

Can the minister tell the house whether the locks on the St. Lawrence Seaway, between Montreal and Kingston, will be closed during the next few days for commercial shipping or pleasure boating? I mention the next few days, in reference to the trip of the royal yacht *Britannia* through the locks of the St. Lawrence Seaway.

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the details in respect of the passage of the *Britannia* through the seaway are not at my fingertips, but I will make inquiries and let the hon. gentleman know.

Mr. Starr: Why let him know? What has he got in mind?

[*Translation*]

[*Later:*]

Mr. Grégoire: Mr. Speaker, I have a question for the Solicitor General of Canada as minister responsible for the R.C.M.P.

Could the Solicitor General tell us whether instructions have been given to the naval units of the R.C.M.P. first, to prevent pleasure craft from coming close to the royal yacht *Britannia* while it is berthed at the Marc Drouin dock in Montreal and, secondly after it is made fast in the St. Lambert locks?

I should like to ask the Solicitor General of Canada if instructions on this score have been given the R.C.M.P.?

Mr. Speaker: Order. I do not think the hon. member may ask whether instructions have been given to the R.C.M.P.

Mr. Grégoire: Mr. Speaker, could I reframe my question so that it may be in order?

Will freedom of movement be given pleasure craft in the Montreal harbour and surrounding areas of Montreal harbour during the forthcoming week end?

[*English*]

DOMINION-PROVINCIAL CONFERENCE

REQUEST FOR TABLING OF INVITATIONS AND CORRESPONDENCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, is the Prime Minister now in a position to table the letters of invitation sent to the various provinces in respect of the conference on July 5, and the replies?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, after my right hon. friend asked about this the other day I made inquiries and found that all the replies have not been received. I think there are one or two more to come, and I hope they will be received over the week end.

ROYAL VISIT

INVITATION TO TERRITORIAL COMMISSIONERS TO MEET HER MAJESTY

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Prime Minister. Have the commissioners of the Yukon Territory and the Northwest Territories been invited to meet Her Majesty on the yacht *Britannia*, as well as the provincial premiers?

Right Hon. L. B. Pearson (Prime Minister): The invitations to meet Her Majesty on the yacht are given by Her Majesty. I think arrangements have been made for the commissioners to be here during the visit, but I will look into the details.

Mr. Dinsdale: A supplementary question, Mr. Speaker. Will these commissioners be sworn into the Privy Council as befits their increased stature and public responsibilities?

Mr. Pearson: No, Mr. Speaker.

LABOUR RELATIONS

RAILWAY DISPUTE—INQUIRY AS TO REPORT OF ARBITRATION BOARD

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Labour. With regard to the arbitration board which was set up to deal with the recent railway dispute, I would ask the minister whether he has any indication of how soon the board is likely to report?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I did make some inquiries two days ago, and my information is that the report will probably be completed in or about the second week of July. No definite date is fixed for transmittal to me but I believe it will be some time between the 7th and the 15th.

INQUIRY AS TO REPORT RESPECTING LONGSHOREMEN

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, further to the question about the Picard report concerning the longshoremen, may I ask whether the minister can give an assurance that to his knowledge none of the contents of this report have yet been made public?

Hon. J. R. Nicholson (Minister of Labour): As far as I know, Mr. Speaker, they have not been made public, though I understand that the technical adviser to the commission made certain representations, but they were made in public as part of the hearing.

VETERANS AFFAIRS

REDUCTION OF LAND REQUIREMENT FOR HOME CONSTRUCTION

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Prime Minister. Has the government made any decision in respect of the reduction of the land requirement for the building of veterans' homes under the V.L.A.?

Right Hon. L. B. Pearson (Prime Minister): I will have to look into that matter, Mr. Speaker.

Mr. MacInnis (Cape Breton South): I have a further question, Mr. Speaker. This is the same answer I received two months ago. I would draw the Prime Minister's attention to the fact that when I followed the matter up with the Minister of Veterans Affairs and indicated that the Department of Veterans Affairs were considering such a reduction, the minister denied it. I have in my possession a letter to which I would draw the attention of the Prime Minister—

Mr. Speaker: Order, please. Is the hon. member rising on a point of order or a question of privilege? This is not a proper question.

Inquiries of the Ministry

Mr. MacInnis (Cape Breton South): I am rising on a point of order, Mr. Speaker. The same answer was provided to me two months ago when this question was raised. It was referred at that time to the Minister of Veterans Affairs. When the question was followed up with the Minister of Veterans Affairs he denied that the department was considering such a move. My question was raised at the time because of the difficult housing shortage, especially in respect of our veterans, and I wondered whether the matter could be cleared up. At that time the minister denied that the department would consider such a reduction in land requirements. I have in my possession a letter signed by Mr. R. W. Pawley, director general of the Department of Veterans Affairs, Veterans Land Act, which directly contradicts the answer given in the house by the Minister of Veterans Affairs.

PUBLIC SERVICE

LEGISLATION TO INCREASE PENSIONS OF RETIRED CIVIL SERVANTS

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. Will the government over the week end give notice of the legislation to increase the pensions of retired civil servants so we can deal with this matter next week?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): I do not think this would be possible, Mr. Speaker. The matter is still under active consideration by the government.

Mr. Knowles: A supplementary question, Mr. Speaker. Will the government make it clear that this matter will be dealt with before we break for a summer recess?

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, I should like to direct my question to the Solicitor General and ask whether he could make arrangements to have the hon. member for Lapointe (Mr. Grégoire) put in protective custody until after the Queen's visit.

Some hon. Members: Hear, hear.

[Mr. Speaker.]

FISHERIES

NOVA SCOTIA—FEDERAL CONTRIBUTION TO ASSIST LOBSTER FISHERMEN

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, my question is for the Minister of Fisheries. I wonder whether the minister could advise us if the government can now give the house information in respect of the level of federal-provincial assistance that will be made available to Nova Scotia lobster fishermen in order to overcome the storm damage of earlier this year.

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, I have nothing to add to what I have already said in the house on this question. The matter is under consideration with the government of Nova Scotia.

NORTHERN AFFAIRS

CHURCHILL, MAN.—THREATENED CLOSING OF VOCATIONAL SCHOOL

On the orders of the day:

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, last Wednesday the right hon. Leader of the Opposition asked me about a wire he had received from the port of Churchill chamber of commerce in respect of our Eskimo school there.

I am sorry I could not answer the right hon. gentleman's question on Wednesday, it would appear the copy of the telegram to the right hon. gentleman had out-raced the original. I suggest that the right hon. gentleman refer to the answer I gave to a question put to me by the hon. member for Churchill on February 24, 1965 as reported at page 11695 of *Hansard*. At that time I indicated that the Eskimo school would be remaining in Churchill for from three to five years, and that situation has not changed. In the meantime we are happy to be able to use the facilities at Churchill.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I have a supplementary question, Mr. Speaker. Is the minister prepared to go a little further and say the three to five years will be extended? It would be most unjust to Churchill if this school were removed.

UNEMPLOYMENT INSURANCE

REQUIREMENT FOR REGISTRATION OF ALL PERSONS IN INSURABLE EMPLOYMENT

On the orders of the day:

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, some two weeks ago, in answer to a question put by the right hon. Leader of the Opposition, I stated that to my knowledge 14 year olds did not have to register under the Unemployment Insurance Act regulations. Upon going into the matter further I find that under regulation 18 every employer who employs a person in insurable employment, whether he be 14, 15 or older, must register him. To that extent, I was wrong in my previous reply, and I want to correct it.

TRADE

POSSIBLE RECOURSE FOR INDUSTRIES AFFECTED BY GENEVA AGREEMENT

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. If it is found that under the trade agreement just signed at Geneva undue hardship is worked on a particular industry, will it be possible for negotiations to be held directly between Canada and the principal country involved or must a universal agreement be sought with all the signatories of the agreement?

Hon. Robert Winters (Minister of Trade and Commerce): First of all we would want to talk to the company concerned; then recourse would have to be sought through the machinery of GATT if there were grounds for it.

AIR TRANSPORT

PROPOSED ADDITIONAL SERVICE, OTTAWA-WESTERN CANADA

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): I have a question for the Minister of Transport. Last Monday I asked him about an application from Pacific Western Airlines to the Air Transport Board to provide an additional service from Ottawa to western Canada. Has the minister any further information with regard to the deliberations of the board concerning that matter?

Hon. J. W. Pickersgill (Minister of Transport): I regret I was not able to make inquiries in my office this morning, because I was detained at a meeting. However, I had asked the board to let me know as soon as anything definite was decided. I had heard nothing up to last night. I know it is an urgent matter, but it is under active consideration and action may have been taken by now.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

Mr. Diefenbaker: Mr. Chairman, I know how anxious we all are to deal with the various matters which must be considered before the adjournment. However, according to my understanding the estimates of the Department of Public Works were supposed to come up for discussion today. It was also mentioned by the minister in the course of his remarks that an opportunity would be given us today to deal with the estimates of the Department of Trade and Commerce.

No member of the house, no matter how studious he is, would be in a position to deal today with the Kennedy round tariff matters which must be discussed before we adjourn. I have read the statements that were delivered and I have tried to make some analysis of them, but it was quite impossible to do this in the short time we had. I suggest the minister should put this over until next week, thereby enabling a study to be made of the subject and an intelligent discussion to take place.

If we take up this matter today we will be able to give it only cursory, uncertain and uninformed consideration. This is a matter of tremendous consequence to Canada, and I suggest that in the spirit of co-operation that has prevailed the minister should agree to this proposal because otherwise these issues, the importance of which to the economy of Canada cannot be overestimated, will merely be touched upon.

Mr. Winters: I think that is a reasonable approach to the problem. Under normal circumstances the estimates of the Department of Trade and Commerce would have been called yesterday but I thought this might have been unfair to hon. members because it would preclude them from asking questions in connection with the Kennedy round tariff negotiations. So I suggested the estimates be held over until today to give hon. members the opportunity to examine the documentations overnight.

I realize this has not given sufficient time so I suggest, to accommodate the right hon. Leader of the Opposition and hon. members, that we proceed with the other items in the estimates of the Department of Trade and Commerce. I am quite sure the Minister of

Finance and I could arrange to be here at a convenient time next week. I refer to the Minister of Finance because the details of the tariff structure are matters more appropriate for the Minister of Finance than for the Minister of Trade and Commerce.

Mr. Diefenbaker: I think that is a very proper decision. Item 1 could be allowed to stand and could be dealt with next week. I thank the minister for that suggestion.

Mr. Knowles: Mr. Chairman, on the point raised by the Leader of the Opposition may I say that I think we all agree it makes common sense for us to delay consideration of the Kennedy round until we have had time to study this matter. However, I would like to ask that some consultation take place on matters to be taken up next week. We will only have a short time before we conclude consideration of the estimates on Thursday night. I believe arrangements should be made as to what departments will be under discussion next week. I am not asking that we negotiate in public as to what we should do, but my point is that if we spend a day next week on consideration of the trade and commerce estimates some other matter will suffer. I know what matter I do not want to suffer. Can we have some consultations on this during the day?

Mr. MacEachen: Mr. Chairman, in reply to the comments made by the right hon. Leader of the Opposition and the hon. member for Winnipeg North Centre let me say that we have already had consultations relating to the program for Tuesday, Wednesday and Thursday, and it would be possible on Friday of next week to call, for example, the Department of Finance. If consideration of the trade and commerce department is completed today this would provide an opportunity to deal with the specific problem of the Kennedy round negotiations. So if the estimates of the Department of Trade and Commerce were passed today there would be no prejudice to a further consideration of the Kennedy round of negotiations late next week, because we could still call the Department of Finance next Friday if it were desirable.

• (11:40 a.m.)

Mr. Diefenbaker: I should like to ask the house leader if there would be any objection to leaving item No. 1 open so there would be no question of the limitation of discussion. I thought we had come to that agreement here, and I hope it will be confirmed, because it is quite satisfactory to have the discussion next Friday. I should like to have item 1 left open, and I can see no objection to that.

Mr. Sharp: I wonder if I might ask whether the committee would consider whether I, as Minister of Finance, might make a statement supplementary to that made by the Minister of Trade and Commerce yesterday when presenting to the house the document and results of the Kennedy round. I have no desire to take the time of the house, but I think it might expedite consideration of these estimates when we come back to this item if I were to make a statement on behalf of the ministry of finance as to the plans we have for the implementation of these results. Then when the debate occurs it could take place in the light of my comments.

Mr. Diefenbaker: I am sure all of us would like to hear from the Minister of Finance. I think, however, today is not the day. We could arrange for the matter to come up next Friday, and before that date the minister will have the fullest opportunity to make his statement. We are getting this information piecemeal. Last night we got one part, then we are to get another part today. I know that serials are interesting, but possibly the minister could wait until some time next week to give us his viewpoint.

Mr. Winters: Perhaps I might proceed, then, with item 1 of the Department of Trade and Commerce and make whatever brief remarks I have, and then it would be open to any hon. member, including the Minister of Finance, to make any comments he wished. Then I suggest we stand the item and go on and pass the other items of the department, in the hope of returning to item 1 next Friday or to the estimates of the Minister of Finance. Is that agreeable to hon. members?

Mr. Churchill: There is just one matter I should like to mention in connection with trade and commerce. We are under no obligation, according to the agreement we reached last week, to pass this department in this portion of the session. It is not one of the specified departments we have left with which we agreed to deal. They were transport, national defence, health and welfare, Indian affairs and northern affairs. These departments will be guillotined next Thursday night if we do not pass them in the interval. However, there has been no agreement to complete trade and commerce.

Mr. Diefenbaker: That being so, Mr. Chairman, I do not believe there should be

any agreement to the course suggested by the minister. This course was well planned, since it would enable the Minister of Finance to make a statement today and have the record plastered up. In view of the fact we are permitting the minister to go ahead with something to which there was no agreement, I feel there should be no such element entering into it as the Minister of Finance proceeding to deal with the Kennedy round. We are consenting to the minister going ahead today, provided item 1 is held over. The minister can make his statement, and then next week the Minister of Finance will make the statement he has in mind.

Mr. Scott (Danforth): May I ask a question about this procedure. What has happened to the undertaking given by the minister to the committee that this entire matter would be brought back to the committee for the hearing of witnesses and a thorough investigation? Why is that not going to happen?

Mr. Winters: I would have to refresh my memory as to the nature of the undertaking. Frankly, I do not recall giving it in those terms.

Mr. Starr: I feel, Mr. Chairman, that we should stick to the agreement at which the house leaders arrived for the culmination of this part of the session. We should concentrate our efforts on those departments we have agreed to pass and for which an appropriation bill could be introduced at the end of this part of the session. I do not see that anything can be gained by giving consideration to the estimates of the Department of Trade and Commerce without a full discussion of the Kennedy round results. May I suggest that we proceed with the Department of Public Works for the balance of the day, then the Department of Trade and Commerce can be brought up next week and the Minister of Finance can make his statement on the Kennedy round. I feel this discussion is taking up time that could be devoted to the consideration of the Department of Public Works.

Mr. Winters: Well, Mr. Chairman, I thought we had reached an agreement on this yesterday.

Mr. Diefenbaker: No; then the Minister of Finance came in. It could be done simply in this way; leave item No. 1 open and go ahead with the rest of the items in the Department of Trade and Commerce. There will be no objection to that course.

Mr. Winters: Perhaps we should do that. The officials are here, so I suggest we go ahead with the Department of Trade and Commerce leaving item 1 aside.

The Chairman: Is it agreed now that the committee of supply will proceed with the estimates of the Department of Trade and Commerce and that vote No. 1 shall stand?

Some hon. Members: Agreed.

The Chairman: We shall proceed with vote No. 5, the details of which will be found on page 495 of the blue book.

DEPARTMENT OF TRADE AND COMMERCE

Trade Commissioner Service—

5. Administration, operation and maintenance, $10,832,100.

Mr. Knowles: I am sure the minister has material in front of him on the basis of which he can make a statement on this $10 million item. I think we should have that statement.

Mr. Winters: Perhaps I should make my general statement here, then, because much of it revolves around the trade commissioner service which recently spent a very profitable seven weeks touring Canada in the interests of trade and the general economic health of the country. I will not deal with the Kennedy round at this time.

On June 8 I was privileged to meet the standing committee on finance, trade and economic affairs under the chairmanship of the hon. member for Essex West. The estimates of the Department of Trade and Commerce were reviewed very thoroughly at that time. I dealt with the current and projected plans of the department. The proceedings of that meeting have been printed and published, so I do not intend to burden hon. members with a repetition of the department's achievements and intentions as of that day. However, we have been moving forward, and it might be useful if I were to comment briefly upon certain activities which I believe might be of interest to the committee.

Following an almost unprecedented expansion in exports in 1966, sales abroad have continued to advance strongly in the current year. To emphasize the vital importance to the Canadian economy of sustaining strong export growth, a target of $11.25 billion was set last fall as an export objective for Canada's centennial year. Although considered at the time to be a particularly stiff challenge, this target has received the full endorsation and support of the export community.

Developments so far suggest that these high aspirations are in fact well on the way to realization. Notwithstanding the prevalence of less pressing demand conditions this year in some of our principal export markets, particularly the United States and the European community, figures for the first five months of the year show exports up 16.5 per cent or $650 million compared with the same period of 1966. This means that about two thirds of the projected increase for the year has already been achieved.

• (11:50 a.m.)

The figures for the month of May show total exports of $1,066.7 million, as against $932.9 million for May, 1966, an increase of 14.3 per cent. This includes substantial increases in exports to the United Kingdom, other commonwealth countries and the United States. The figure for the United States, for example, for May is up by 18.2 per cent. For the months of January through May the total amount of our exports is $4,593.3 million as against $3,943.1 million for the period of January through May, 1966, a total full increase of 16.5 per cent.

Even allowing for a diminution in the strength of some of the forces contributing to this early-year expansion, there is good likelihood that the $11.25 billion target will be realized and possibly exceeded. This will represent a creditable showing indeed in a year characterized by significantly slower growth in world trade as a whole.

I have indicated, without going into the Kennedy round negotiations, what steps we plan to make the results available to the business community in Canada. The statistics have been circulated to trade associations and have been sent out directly from my office to some 153 companies. The export advisory board has been invited to Ottawa; they will arrive here early next week. We shall brief them and ask them to carry the message back to their communities. In addition, we plan a series of regional or sectional seminars in various parts of Canada—some in co-operation with provincial authorities concerned with trade, some in collaboration with sectors of our trading community direct—to examine the Kennedy round results and to expedite and recommend ways to exploit specific new exports prospects. I have already communicated, in fact, with the provincial ministers. These seminars will commence this autumn when our businessmen have had time to consider the relevance of the agreements to their individual operations.

[Mr. Winters.]

Over and beyond the foregoing, we in the department have commenced our own detailed study of the Kennedy round agreements to ensure that every program and activity in our trade promotion operations is tuned to maximize the realization of the new export prospects. I assure hon. members that our promotional efforts will reflect this as our prime concern. I have every expectation that Canadian businessmen will demonstrate equal resolve and effort. As recommended by the export advisory council, we intend to encourage the formation of export committees within trade associations and to use these channels and that of seminars, regionally and within annual conferences of trade and industry associations, to support our export drive.

As to operation export, which is the item to which the hon. member just referred, final data reveal that 2,144 firms actually held interviews with our trade commissioners during their seven week, highly successful, cross-Canada tour. This figure is a new record for operations of this type. This preliminary review indicates that half these firms are new to the export field or inexperienced in exporting.

The department is analysing all the data of operation export 1967. We feel sure the information derived will be useful in furthering our trade promotional activities and programs. For example, 10 per cent of the participating firms were subsidiaries of foreign parents. That indicates an increasing willingness on the part of foreign subsidiaries operating in Canada to enter the export field. Again, we will be able to identify firms by province and city of residence and degree of export experience, as a step in determining whether the concentrations of such firms warrant, say, a group approach to guidance in the techniques and practices of export. The trade commissioners who took part in the operation have now returned to their posts and are following up on the more than 16,000 interviews they held. The first progress reports on the results will be submitted before the year end.

As hon. members know, exports are only one side of the trade picture; it is a side that helps to stimulate our domestic economy, provide jobs and also helps to bring about a high level of economic performance. Imports, Mr. Chairman, are the other side and as a nation we import almost as much as we export. The importing of goods and services, and importing as an industry, all contribute to our high standard of living. Moreover, it is fair to say that we must import in order to export. Trade

is a two-way street and will be more so when the concessions of the Kennedy round are fully implemented. Canadians, I think, too often look abroad for sources of supply without first finding out if the goods and services are available in Canada. As a result, over the past five years while our exports grew to three quarters as much again as in 1961, our imports have grown almost as much.

Last year we had a substantial favourable trade balance. Unfortunately that was not quite as much as was reflected by the Dominion Bureau of Statistics year end figures. I want to inform hon. members of the discrepancy and the reason for it. It was found, in the course of confirming the earlier figures in 1967, that one important port had failed to submit its export figures to the Dominion Bureau of Statistics in time to have them included in the year end figures. The appropriate officers of the D.B.S. did not detect the discrepancy in time; as a result there was fault on both sides.

This has been reported in the press. It has been intimated that the favourable trade balance might in fact disappear. I can assure hon. members that while the trade balance might be reduced as against the figure reported by D.B.S., it will still be favourable. I can also assure hon. members that adequate steps and precautions are being taken to see that there will not be any recurrence of such a discrepancy.

There are other features of the department, very important ones, that I will not deal with at length at this time. I should refer, I think, to Expo '67 because it has received considerable attention in the world, not to mention the attention of Canadians. It has demonstrated that it is a great credit to Canada.

Some hon. Members: Hear, hear.

Mr. Winters: It will give us a new sense of national pride and status. I doubt whether Canadians ever again, after 1967, will feel that they are the kind of Canadians they were when they entered 1967. I think we shall adopt a new approach, with higher resolve, increased status and a greater pride, in ourselves and our country.

The attendance figures at Expo are striking in themselves. Yesterday, for example, a total of 267,318 guests attended, for a total to date of 16,535,419, which is considerably above the estimates. However, despite the fact that visitors are coming to Expo far in excess of expectations, the corresponding revenues have not been commensurately great. So far, the people who have visited Expo have spent rather less per capita within the gates than had been anticipated. It is thought that when the flow of United States visitors arrives during the holiday season the slack will be taken up. It may be of interest to note that the total receipts as of June 22 from admission sales, advance admission sales and other revenues from visitors, including revenues from concessions and the performing arts, were expected to be of the order of $59 million whereas actual receipts totalled about $56 million, somewhat lower.

• (12 noon)

The success of Expo will not be judged, however, from the financial returns within the gates. We always anticipated a substantial short-fall of revenues against expenditures within the gates of Expo itself. We as a government—and I know this is true of the government which preceded us—count on the financial success of Expo being reflected in its benefits across Canada and in the receipts which will accrue to the treasury through other channels.

I am sure that in the long run the net beneficial effects to Canada, financial and otherwise, will be substantial. I did want to tell hon. members of the great success of the exhibition as an attraction to visitors and point out at the same time that though revenues are not running quite as high as the number of visitors might indicate, the success of Expo is assured.

Mr. Irvine: Mr. Chairman, I was interested in the statement the minister made with regard to the $100 million discrepancy. I am sure the explanation he has given will satisfy all hon. members.

I was pleased to hear the hon. gentleman repeat what he said last night with regard to the seminars which are to be held in conjunction with provincial ministers. I should like to ask whether members of parliament will be invited to attend these seminars, regardless of the party they may happen to represent. This is a subject of great interest to members of parliament.

I am sure all members will be pleased with the decision to discuss the items involved in the tariff changes next week rather than today. I believe it would be almost impossible for anyone to become conversant with this intricate subject in the very short time during which the details have been available to hon. members.

The minister was asked today whether he would agree to have this matter referred to the committee on finance, trade and economic affairs. In fact, he was asked in one of the meetings of that committee on June 8, I believe, whether these tariff changes would be studied in the committee. It appears to me that the minister intended this to happen and that the members of the committee were also under that impression. This is what the minister said, according to the report of the committee's proceedings on June 8, page 40:

> I would be glad to come together with you on an ad hoc basis, on a study group basis, or any other basis you wish to approach it. I think it would be a wonderful opportunity to help to disseminate information about what is going to be the most important development in the trading world in this generation.

I believe this clearly indicates that it was the intention of the minister that the whole question should be studied further by the committee. If we read further, we find mention of the fact that various firms could be invited to give evidence before the committee.

Dealing with the votes under the heading "General Administration", I believe the picture presented is somewhat misleading, though not intentionally so. The estimates are up by almost $4 million. The cost of running the standards branch is to rise by roughly $150,000. The estimate for Expo is down by $1,921,000, which is understandable because last year we were naturally spending great sums of money on this outstanding event. I should like to take this opportunity to congratulate the minister and his department as well as all those people who were in any way responsible for the conduct of its affairs and the construction and administration of Expo '67. I am sure all hon. members who have visited Expo, as I have done, will agree with me that one's heart just naturally swells with pride over the fact that one is a Canadian, and we have such a great achievement.

Some hon. Members: Hear, hear.

Mr. Irvine: I think it would be particularly remiss of me if I did not also take the opportunity to congratulate the former administration, first, for selecting the site and, second, for choosing the first committee. They were the ones who actually got the ball rolling; it was their baby, so to speak. Expo is doing a fine public relations job for our country, and I think every one of us should be proud to have even a small part in this affair.

Farther down the list of items are some which are of particular interest to me. From the entry at the bottom of page 492 we note that in 1966-67 the estimate for carrying costs of temporary wheat reserves and payments in connection with the Prairie Grain Advance Payments Act amounted to $40,388,000 while in this current year it is $33,940,000, a decrease of $6,448,000. If the amount of grain being carried in reserve is less, then the cost of carrying these temporary wheat reserves must, of course, be lower. This distorts the final figures set out against these items in that a decrease is shown whereas in fact no such decrease has been brought about.

• (12:10 p.m.)

For the next item, the Pacific National Exhibition in Vancouver, last year the government spent $1,200,000 and in the current fiscal year will spend $800,000. In the right hand column the decrease is shown as $400,000. I do not think this is right because the item reads:

> Grant to the Pacific National Exhibition, Vancouver, towards the cost of constructing a trade fair and sports building at Exhibition Park, Vancouver, the government of Canada's share not to exceed $2,000,000.

Having paid $1,200,000 in the previous year a balance of $800,000 was left. A decrease in expenditure is shown but actually the $800,000 is the unexpended balance of what had been previously committed for this venture.

At the bottom of the page we find listed, as I said before, a decrease of $4,775,600, and I think this is somewhat unintentionally misleading. The actual cost of administration is up almost $4 million and this at a time when we should be saving, not expanding our expenditures.

According to the details given on page 494 there is an increase of 15 per cent in the administrative staff. We are again back to the old empire building program in government at a time when the accent should be on saving, on cutting the estimates and saving the taxpayers' money. At present people are carrying such a fantastic tax load that they have reached the limit in this field. Now we must go to work on the other end and see where we can secure definite savings. As with all other departments, and in particular with the Department of Trade and Commerce, we shall have to work hard with the goal in mind of increasing departmental productivity.

Mr. Johnston: Mr. Chairman, I would direct the attention of the committee to the list of trade posts abroad under vote 5. The total amount of the estimate for these posts has been increased somewhat, but I gather increases in rates of pay have had quite a bit to

do with it. We seem to have closed two offices and opened four others. I wonder why the office at Bombay was closed leaving only one in New Delhi to cover the great subcontinent of India. I notice there are two offices in Pakistan, at Islamabad and Karachi, and I think it possible there would be sufficient co-operation in that area for one of those offices to deal with matters on the west coast of India. I would be interested to know whether this is the case and whether consideration will be given to transferring one office to handle trade affairs in that vast area. It would also appear that we have no office in the great city of Calcutta.

Throughout the Pacific area our offices are few in number. We have two very close together, at Kuala Lumpur and Singapore. One wonders whether it is necessary to have two so close together, especially since the only other one in the area is at Tokyo. We are sadly unrepresented throughout the area of the Pacific rim. I would mention specifically Seoul, the capital of Korea, Bangkok, the capital of Thailand, and Taipei, the capital of Taiwan.

The Prime Minister made a special trip to British Columbia to assure the Canadian west that the government was keenly interested in Pacific trade, was doing all it could to encourage it and in fact was doing so much that the provinces were told not to bother. Yet when we examine the details of the estimates we are bound to wonder how genuine is the Prime Minister's argument and how sincere is the government in its protestations of doing all it can for Pacific trade. I would be interested to know whether there are plans to open additional trade offices in that part of the world during the coming year. It is an area which is sadly unrepresented either by diplomatic offices or trade offices. We do not have offices in several countries where we should have representation of some kind.

One of the offices which has been closed was at Salisbury and one of the new offices opened was at Nairobi. I gather that is an attempt to make up in that vast area of east Africa for under-representation of Canadian interests. It would be more correct to question on the estimates of the Department of External Affairs some of Canada's trading actions in that area, but at the moment I would be interested to know whether the office at Nairobi will be able to represent us fully in that very large and very diverse area of Africa.

Mr. Hamilton: Mr. Chairman, I would take advantage of this opportunity to mention a few things about the trading practices of the government in the hope that my remarks will be constructive and enlightening. I do not intend to deal with the effect of the GATT tariff cuts on Canadian industry at this time, but I do wish to point out to the minister that in my judgment Canada still marches along on a set path, showing no imagination with regard to taking advantage of the opportunities that exist for us as a nation in the field of world trade.

Most of the remarks I am going to make I made in the house three years ago and since then I have waited, relatively in vain, to see some indication that the government was going to take action on my proposals. For the interest of the new Minister of Trade and Commerce I am going to repeat in summary the ideas I put forward on October 8, 1964.

First of all, it is very clear that world trade patterns are expanding primarily among the industrial nations of the world. Over the last four years the efforts in the Kennedy round of negotiations were designed to increase this flow. It is equally obvious that the trade patterns of the newly developing nations are not developing at the rate they should. This poses a challenge to us. We in the industrial nations of the world are now faced with two major choices. One is that we should use our great and growing wealth in a combined operation of giving handouts to the newly developing nations to try to keep them afloat, and the other choice is to push self-help proposals. One of these self-help proposals is epitomized in the phrase "trade, not aid."

• (12:20 p.m.)

The facts of life are that events since the last war indicate that nothing that has been done in the effort to bring the newly developing nations into the world trade pattern has succeeded. We are growing richer; they are growing poorer. All we are doing at the present time under the GATT concept is simply gathering the rich nations of the world into a club where we are building a high wall of tariffs around ourselves and offering a few crumbs to the poor at the door. This is moving our western world toward the first choice, the choice of handouts. This means that we stir the animosity of the individuals who live in these countries and arouse their national opposition. In the interests of Canada and in the interest of world peace I maintain that some nation in the western world must break through the wall of the rich man's club which

we have built around our countries and do more than just hand out crumbs at the door.

What I have done before and what I intend to do now is merely outline in simple points some of the proposals that have been made and then record, as I know it, the progress which has been made in respect of them. The first proposal which I think would be accepted by all people who are knowledgeable in respect of world trading patterns is the wisdom of supporting the idea of international commodity agreements. We have had commodity agreements before and we will have them in the future. The main proposal I am making in respect of commodity agreements is one which I believe is now widely accepted by the parliamentarians in every country of the world. It is that commodity agreements should be broken into two groups, first, those dealing with the products of the newly developing nations and, second, the staple products of the industrial nations. In concerning myself first with the newly developing nations may I say that primarily they have a staple product or two to sell. Yet in our traditional bargaining practices we try to force their prices down to the lowest possible point.

We used to have, for example, a sugar agreement, but when Cuba got in trouble with the United States it collapsed. In the last year we have seen sugar prices go down to their lowest level in 35 years. This is a great advantage to many consumers in such countries as the United States and Canada but actually it is the worst thing in the world for us. We may save a cent or two a pound on our sugar, but when we buy from these newly developing nations and force them to take a low price we force them into lower and lower levels of living which only build up grief for us in the future.

I think we should deliberately send our representatives to UNCTAD this autumn with instructions to state that it is Canadian government policy, supported by all parties, that we as a nation will enter into commodity agreements with the newly developing nations so they will receive an enhanced price for their primary products and so that their producers will be given a much better chance to attain a better living standard. We on our part will voluntarily accept any greater costs which come to us in this regard. I know that such an agreement must be backed up by undertakings that those countries which accept the benefit of voluntarily higher minimum prices under the agreement will look after the question of surpluses, will see that the money gets through to the people who need it, and so on. I think, however, that the nations of the world are ready to move in this direction.

What I am asking the minister to do is this. With the ground carefully cultivated for him in advance and with the parliamentarians of all the countries of the world accepting the principle, will he not lead the nations of the world by seeing that Canada takes this step publicly and openly and asks for the support of all people? I am certain that support will be forthcoming because the vast majority of the people of the United States and Canada and all the free countries of the world are interested in the type of help under which people will be helped to help themselves and under which the producers will get a fair price for their products. In this way there will be material benefit in the end for us. First of all, this must be done with the primary purpose of helping these people.

In the negotiations at GATT our negotiators had to be tough and hard in order to get such terrific reductions as 2 per cent here, a half per cent there and so on. They fought for four years. But there are a billion and a half people in the world who need a little help too. This is a new type of concept which could be promoted by Canada at this stage, and I believe it would do 500 times more good than the little bit of gain we have received from GATT. This is the type of thing I should like to hear the minister boast about. I should like to hear him boast that he had put his country into the forefront by trying to help the newly developing nations in a way that they could maintain their pride and make their own way upward in the world.

Second, under commodity agreements there must be a recognition of the fact that much of the world will depend on those of us who are the great producers of basic products such as copper. Canada, Russia, Africa and South America will have to provide a vast share of these products from their mines and forests which the world will need in the future. Surely in the interests of ourselves and in the interests of commerce it is about time we began to put into the rule of law some sort of concept not only of a fair price to the producer but also of protection for the consumers so that there is a minimum price, a maximum price, and between the two the laws of supply and demand will work. This stability of price would do a great deal for the producing countries like South America and Africa which are new countries, as well as Canada which is one of the newer countries of the world.

These countries will have to supply the bulk of this type of product.

There really is a need for an international world commodity agreement which will provide prices which are reasonable at the bottom and at the top and will allow competition between the two levels. After a five year period the two levels can then be renegotiated again. The countries of the world which are trying to build up the industrial segment of their economies prefer industrial price stability on their basic products. This would help us and it would help them.

I think I have said enough in respect of commodity agreements to make it clear that I consider this government has been a laggard in this regard. If the minister would go back over the questions I have asked in the past four years he will find that I have asked about the sugar agreement. First we were told that we had to wait until the prices were low before we could take action. Now the prices are low and still there is no action.

There must be some sort of leadership. It cannot always come from the civil service. I know that the Department of Trade and Commerce has a good reputation as a "go, go, go" department compared with other departments which are known as "no, no, no" departments. But everything cannot be done through the civil service. There must be leadership at the political level. There must be the kind of leadership under which we will be able to go to the various cities of Canada and say that these are ideas which we think will in the long run be in the interests of this country and certainly in the interests of world trade and the peace of the world.

I should like to ask the minister to take advantage of the second UNCTAD conference this fall to let Canada take the lead. This is something in which we could take a real pride. If there should be gains or losses in respect of the GATT agreement, we can quarrel about these at home. In view of the needs of people all over the world I would hope that Canada would take the lead in proposing, for the newly developing countries in particular, the type of international agreement which would give these people a better living.

The second proposal I wish to offer is in respect of the necessity today to have international trading companies. As I listened to the minister give a report concerning the increased pressure in the trade promotion drive, it was clear to me that we are still thinking in terms of getting individual Canadian companies into markets all over the world. Let me assure the minister that we support his concept. I hope, however, that the minister's mind will be flexible enough to agree that if there is a new type of institution which could be established to help this form of promotion we should support it.

The concept I am putting forward is not new in respect of trading companies. They were in existence in the old days. There were such companies as the British East Indian Company, our own Hudson's Bay Company, and others. I am speaking, however, of modern trading companies such as the Japanese have. As a matter of fact we have them in the grain business. I mentioned these before. There is the Argentinian company, the French company and the two American companies. These companies sell the bulk of the world's grain. They certainly can function more efficiently than the small grain companies in Canada. They can reduce the cost of selling goods that are graded and they can be stored and shipped so cheaply that the very small companies cannot compete. I simply say that what has been set as a precedent by the Japanese in their trading around the world and by the grain companies of the three countries I have mentioned should be followed by Canada through the formation of international trading companies.

• (12:30 p.m.)

I should like to see, as a first step, a Canadian company go into the business of international trading, buying and selling, using modern electronic techniques for recording sales and purchases. In this way goods could be moved around the world very much cheaper than they can be moved by private companies. Through this type of international trading these companies could go into the new countries, Indonesia, China, Ghana and Nigeria, and offer to buy all the goods they have to sell under a grade standard. If they could be shipped and stored they could be sold all over the world. There is money to be made in selling. There is money to be made in the production of these goods but there is also money to be made in selling.

I am simply proposing that we try to get some form of Canadian international trading companies. The big step, of course, is the financial one and I hope that our big banks in Canada will realize that this is a way to make money and will work either individually or in a consortium to back up Canadian entrepreneurs in the setting up of this type of Canadian international trading company.

Quite naturally I am thinking of these international trading companies selling goods to the new developing nations all over the world, but the money these countries receive from the sale of their goods will provide a Canadian market. We have many things to sell but the customers have to get the money and they do not have the know-how to sell their products. This is particularly noticeable in respect of state trading nations which have not learned the techniques of selling in competition with highly complicated private enterprise in the United States and the western world generally.

The third proposal I refer to as buying and selling agencies of a national type. Let me give one or two examples of what to me are lost opportunities. I have recorded figures on *Hansard* which indicate that in the last four years—I think it is now five—not a single dollar of Canadian money has been spent on buying rice from China. We buy $10 million worth of rice each year. China is selling rice on the world markets and is buying our wheat on the world markets; yet we in Canada do not buy one single dollar's worth of rice from China. Is this because China will not meet the grade or the price? The answers to those questions do not hold water. There are only six companies marketing rice in Canada and five of them are American. They naturally sell rice from the producing areas of Louisiana and California. They do not hunt markets for other people when they are growing this product themselves.

I say it is in Canada's interest to help the countries that are buying from us by selling their products in this country. Most of the things China produces will not sell here, but this is one product that will sell. We do not produce any rice, except a little wild rice in Manitoba and western Ontario, but we do not buy one dollar's worth of our rice from China. We buy every dollar's worth of rice from the United States. This is the result of a lack of energy on the part of private enterprise and certainly on the part of the government in getting behind private enterprise to set up some sort of group that could buy these products from companies which sell them and then make them available through regular business channels and through the big shopping centres which distribute most of the rice in Canada.

I use this as a small example of the lack of initiative on the part of this government. There are no dynamics. The government just sits still and watches things develop. I am no socialist but I think that private business to be properly efficient should set up a type of buying agency to bring rice in of a standard grade, put it in the right type of packages and set up the selling apparatus that is apparently required to sell rice in the big shopping chains. The shopping chains themselves will do nothing. First of all, they do not believe in doing anything. They wait for the buyers to come to them. This is a laissez-faire type of operation. The buyers are only interested in goods coming from their distribution agencies. They do not care whether we buy rice from the United States or China. As a matter of fact, most of these shopping chains are tied up with United States interests and naturally are more friendly to their national sources. It is in Canada's interest to give customers a chance to sell. We cannot ask the Chinese to go around with a few bushels of rice looking for markets. This is why we need a buying agency.

Let me give another example. Canada is one of the world's great producers of paper and newsprint. We now hold about 20 per cent of the world market. The world is desperate for newsprint. The reports of the FAO for 1949, 1959, and again in 1964 indicate the serious emergency we are approaching. Yet there has been no effort on the part of our newsprint industry to move into state trading areas in a big way. They only deal with the areas which can provide an enterprise type of operation. State trading nations are customers and they do not want to deal with 29 companies which handle paper; they want to deal with one.

It is about time that somebody with the force of persuasion asked our 29 paper companies in western Canada which produce newsprint to take advantage of the amendments to the Combines Investigation Act of 1959 and form a single export company to go to these state trading nations. One company could act on behalf of the 29 to sell paper to these nations. The same thing could apply on the east coast in dealing with these new countries in Africa, for example, which have to be state trading nations for a good many decades. We need some form of buying and selling agency to bridge the gulf between our highly complicated private enterprise companies and these new countries which will be state trading countries for many years to come. This is the area in which we need dynamics and leadership. I am sure that with a little bit of push these Canadians companies are not going to resist making money for too long.

[Mr. Hamilton.]

I will go quickly over my fourth and fifth proposals because they are more properly dealt with under finance. In the rapidly expanding business world we need in respect of trade with newly developing nations some form of international clearing house for short term credits. Most of the newly developing nations will have to buy on credit for a good many years and their products will be going to the newly developing nations because they are not sophisticated enough to sell to the industrial nations. They will have to buy and sell on credit. If there was some machinery through which short term paper could be used to expedite the cash flow in both directions it would create a remarkable ability in speeding up sales between these new developing countries and the industrial countries. I had some personal experience in this regard in respect of credits with China. This is the type of experience which leads me to believe it is necessary for those who know a great deal more about this than I to see whether we cannot set up some form of international clearing house for short term paper, up to about three years.

Finally, international liquidity is still the number one obstacle to developing trade with these new nations. They all need greater access to financial trading operations and they also need tremendous amounts of development capital. So far we have only been pecking away at this problem through international associations like the International Monetary Fund and the International Development Fund. We are up against the hard fact that we are using in the international financial situation, not only gold as a media of exchange but also the national currencies of the United Kingdom and the United States. The barriers placed on international liquidity by using these national currencies are such that they represent a great handicap to international trade.

I think the government is doing a pretty good job in the group of ten, according to my understanding of the reports that are made public, but I think we should follow the concept of increased liquidity to try to find a new medium of exchange in order to get away from United Kingdom and United States currency. National reserves accounts show that these countries should be able to carry out their own domestic economic tasks without having the responsibility of the stability of the reserve accounts of other nations. Lack of international liquidity, therefore, is at the moment the greatest stumbling block we have. I hope that all Canadians will support the efforts of those representing us in the group of ten in trying to get increased liquidity. On the other three points; commodity agreements, international trading companies and buying and selling agencies, we can do all these things if there is any initiative and dynamic action shown by the government. I put these points before the minister in a constructive mood because marking time for four years over GATT and still excluding the newly developing nations will have serious repercussions not only on our trade patterns but on the future trading health and peace of the world.

• (12:40 p.m.)

There are two or three small matters I wish to raise in conclusion. Some years ago, after great efforts about $800 million was put into the export credits program. It struck me at the time that we were falling behind the export credit facilities provided by West Germany. Four years ago West Germany and Canada were about equal in respect of exports. Yet at a time when we had $800 million behind our export credits program West Germany, a competitor, had $3 billion.

I noticed the difference this made when visiting various countries. We deal with only big orders of $10 million or $24 million. It takes us several months to negotiate these agreements. The export credits policy of West Germany allows their small merchants to meet small merchants of other countries and make a sale of $3,000 or $6,000. Within a few hours the credit arrangements are worked out in Germany.

If we are to send our small companies around the world to enter into world wide competition and ask them to get out and sell in world markets—and there are world markets for them—we should consider a new dimension in respect of our export credits program. We should establish a system of credit that will allow the salesmen of Canadian companies to get credit quickly so they may complete the sale at the earliest possible moment and beat out their competitors. If one of our competitors can offer credit facilities on sales with a value of $3,000 or $6,000, it seems to me that Canadian businessmen should have the same facilities. This means that we must adopt a completely new attitude to export credits. At the moment the government operates this program and it is a function of the department. The banks have not yet done a full job in this respect.

I wish to express a word of sadness about the fate of the international wheat agreement.

I know that everyone says we shall now deal with wheat under GATT. We fought for so long during those trips to London in 1932 and 1933 to obtain an international wheat agreement, which was eventually obtained in 1949. In the wheat agreement Canada's voice was one of five. We had a big voice because we are the biggest commercial seller of wheat. Now, according to the news stories, the international wheat agreement is disappearing and we are going into GATT, with 50 nations. We are one voice out of 50. We still do not know whether there will be automatic renewals or automatic price negotiations. We will find out these things as time goes by. I suggest that the death of another international commodity agreement is a reason for sadness. I suggest that we would do better dealing with single products rather than trying to negotiate over the whole spectrum. I hope on another occasion to repeat my views on this subject.

Finally, Mr. Chairman, I realize that the Minister of Trade and Commerce has a very difficult role to play. There are certain things which limit his ability to carry out his job most effectively. One is the fact that Canada must brace itself for a tremendous increase in world trade over the next two or three decades, and the Minister of Trade and Commerce is in only a peripheral position when dealing with matters of port development. I know the minister will throw his weight hard behind those members of the government who are trying to meet the problem of port development. We have an unhappy situation on the west coast where rivalry between the provincial government and the federal government has come into the picture. If we can increase our world trade, we do not care who does it. We do not care whether it is done by the federal government and provincial governments working together or whether private enterprise does it. We do not care how it is done as long as the port facilities are developed. This is not just a matter of Vancouver. We have to consider the west coast as the outlet for the interior of British Columbia, the Yukon, the Northwest Territories, Saskatchewan and Manitoba.

As far as the discussions which are continuing on the west coast are concerned, I believe the Minister of Trade and Commerce would be well advised to explode a bombshell by saying that he thinks both sides should get together and develop the whole coast. We need more facilities at Prince Rupert. When I consider the lack of development in that area, after the great plans we had a few years ago, I am dismayed. There is now no access to the Panhandle. I should like the minister to raise his voice on this issue. Even some of the Americans admit that they stole it from us in 1903. It is time we got it back. If we cannot get the whole panhandle, we want sovereignty over access routes. Providing access will be costly, but if we are to develop those areas which are so wealthy and whose products are so close to tidewater we must have access through the panhandle to the Pacific.

I could deal with the question of the St. Lawrence river and the east coast. I could talk about Hudson Bay. All these are places in respect of which the Minister of Trade and Commerce, in the interest of developing world trade, should exert pressure on his cabinet colleagues who are concerned about their narrow responsibilities in this area. This situation should be examined not just from the point of view of Canadian exports but as a move to taking advantage of the great demand at the present time for goods all over the world.

We must remember that Canada has almost everything. We want to move into the world trade pattern not only with basic raw materials but also with finished goods. It would be dreadful if we had to continue fighting, as we have for the last ten years, to get our products into the markets of the world and if businesses have to battle in order to get goods out of the country. This situation exists because of lack of facilities. I do not think we can blame anyone in particular for the situation. The blame must fall on all those persons who should be expressing their views loudly and clearly on the question of port development.

Mr. Hales: Mr. Chairman, I wish to make just a few brief remarks concerning the estimates of this department. I refer first of all to the item under discussion, the trade commissioner service. I have always had a very high regard for the minister and I know the great success he has had in the business world. I commend him for making the statement not too long ago that he owes part of his success to the fact that he was always taught to make a dollar before he spent it.

Mr. Baldwin: He should impress that on some of his colleagues.

Mr. Hales: I give the minister full marks for that. What I have to say may not be too complimentary but I say it in a spirit of constructive criticism. I realize that the trade commissioner service is essential. They are

doing a good job. But what is it costing us to do the job?

Other hon. members have spoken about policy and I do not intend to deal with that subject. I shall speak about cold facts and dollar bills. I believe the trade commissioner service is costing this country altogether too much money for the results achieved. I have quickly jotted down the eight trade commissioner offices that we have in the United States. Imagine, Mr. Chairman, we have eight of them—Boston, Chicago, Cleveland, New Orleans, New York, Philadelphia, San Francisco and Washington. It is costing this country practically $2 million to operate them. I should like to know what efficiency exists in these offices. I should like to know whether they keep a trial balance in their ledgers to show how many dollars worth of goods exported from Canada each office has been responsible for to offset the cost of its operation.

• (12:50 p.m.)

In other words, we are asked to pass an estimate to the extent of almost $200,000 to operate the office in Boston. Can the minister say how many dollars worth of goods that office has been responsible for exporting from Canada to the United States to offset such an expenditure? My question applies to all the other offices. This is the kind of information we would like the minister to give us.

Another point I should like to make is that in several centres where Canadian embassies are located there are also trade commission offices. For instance, in Boston there is a Canadian embassy which under the estimates of the Department of External Affairs is costing us approximately $212,000. The cost of the two offices combined is $411,950. Can we not combine the offices? Can one building not be used for both of them? Could the stenographic and other services be pooled so as to cut down the cost of operating these offices throughout the country?

I think there is a great waste and extravagance in this branch. It is a great bonanza for some of the trade commissioners and I believe it is high time they took off the striped pants and put on overalls, an expression that was used once before. I know that the government has forecast a deficit of $740 million this year and I am sure the minister would want to cut down the expenses of his department as much as possible. I believe this would be a good place to start.

With regard to the trade commissioner service I should like to point out that in the United Kingdom we have only three such offices, located in Glasgow, Liverpool and London. The total expenditure for operating these offices is $601,000 and yet we spend $2 million in the United States. I think this matter deserves careful scrutiny.

My other remarks concerning the department will have to wait until we come to the standards branch. In conclusion I wish to say that I believe the department is doing a reasonably good job but let us consider carefully how much this work is costing us.

Mr. Winters: Mr. Chairman, I would like to say one word on that subject because I have been very much aware of the need to stress an atmosphere of cost consciousness and I have applied myself to helping to deal with this problem. Nothing worries me more than the very large expenditures in relation to the revenues accruing to the government. The pressure of public demand is such that in many areas it seems almost irresistible but I feel, as the hon. member does, that there are areas where more careful control of expenditures should be exercised. However, I do not believe the trade commissioner service is one of them. I have looked at this branch very carefully. This is not a striped pants branch of the government but rather an overalls branch.

The hon. member knows as well as I do that selling involves service in areas that are already developed, as well as sales development. In some of the areas where we have moved we think there are opportunities for Canadian sales that are not being exploited so we start a sales development program. Boston is not one of these. It is one of our most well established selling areas, particularly for the eastern part of Canada where fisheries products are a major item of our exports.

Even though I have had some knowledge of that office I was surprised, when I visited Boston recently, at the volume of goods sponsored through the trade commissioner service there. But I must say frankly that it would be wrong to contemplate a dollar for dollar return for the amount of sales effort that is made in each particular office because a sales program could never be developed on that basis. For example, we contemplate, as soon as we can afford it, making a large effort in the South American countries. It may be some time before we get a return from that area, but that is part of the sales development program.

We closed our office in Bombay, to which the hon. member referred, because we were

not realizing commensurate returns, and we are concentrating all our efforts in India in the sales office in New Delhi. We are watching these matters as closely as we can. We audit and we have accounting systems, but I know the hon. member would not expect me to say that we can expect a dollar for dollar return for all the sales efforts that are being made in every office. What we must consider is the overall sales program of the government. Of course I do not want to take credit for the sales program of the country, but let me say, with respect to the remarks made by the hon. member for Qu'Appelle, that the total sales effort of the country has been quite remarkable and for that I give full marks to our dynamic private enterprise. However, I do think a contribution has been made by our Canadian representation abroad and particularly by the trade commissioner service in the climate which they have created.

Mr. Hales: I wonder whether the minister could answer the two questions I have asked him. The first one is whether a record is kept by each of these offices of the sales that are made and, second, whether steps have been taken to amalgamate the embassies and trade commissioner offices located in the same city and thus cut down overheads?

Mr. Winters: Yes, we do that. Evaluations are made and we know quite accurately on the basis of what our statistics reveal the volume of Canadian export sales serviced by each trade commissioner. We cannot attribute all these sales to each trade commissioner because it would be wrong to say that the commissioner makes a sale. His job is to create an environment in which private enterprise can sell rather than become an extension of the sales branch of any particular enterprise in Canada. This cannot be done, although sometimes I feel we tend to move more and more into that area, but we are glad to do it and we are pleased to represent Canadian business abroad.

In our last operation, "Export 1967", I feel we did in fact become the sales arm of a myriad of smaller companies across the country which do not have sales facilities of their own and the possibility of doing their own market research and market analysis. So we brought the trade commissioners to them. That was an expensive operation but I believe it is an investment in future sales. We do break down on an accounting basis the amount of sales made in any one area serviced, but not necessarily generated, by the particular sales trade commissioner.

[Mr. Winters.]

Mr. Hales: Could the minister answer my question about the amalgamation of the offices?

Mr. Winters: We try to do so in most areas where both offices are located in the same building. This is not possible in London, for instance, where the establishment is too large. But in most areas we do combine the services. There are some offices in which we actually do a representational job in addition to the sales effort. In areas where we do not feel representation by a trade commissioner is justified, we ask the Department of External Affairs to service sales opportunities for us. There is very close co-operation between the two departments.

• (1:00 p.m.)

[*Translation*]

Mr. Mongrain: Mr. Chairman, I should like, first of all, to ask you to be lenient with me because I have a few remarks to make which may not be completely in order. I trust you will be lenient.

I should like to say once again to the house that I completely dissociate myself from the words spoken in the last few days by the member for Lapointe (Mr. Grégoire) with regard to the visit of Her Majesty Queen Elizabeth.

I am one of those who feel that the timeliness of maintaining or abolishing the monarchy in Canada can be discussed. But, that is another matter to be discussed in due course, according to the normal procedures of the house. But, in the present circumstances, this is more a matter of Canada welcoming what we call in my province "de la très grande visite" (very special company). It will give us the opportunity of extending to Her Majesty our well-known hospitality with our usual good manners.

I think that, on this point, the member for Lapointe has gone too far. I dissociate myself from him, Mr. Chairman, and say in my own name and in the name of my electors that I am happy to pay homage to Her Majesty the Queen, to admit that there is a situation in fact—she is the Queen of Canada—and that she fulfils her role with considerable dignity, and we are more than proud to greet her today; in fact we have affection for her, because she has up to now fulfilled her role with dignity and high purpose. And once again I repeat that even though I sit in this house next to a member suffering from an illness called independence, I would not want anyone to think that it is true of the majority in the province of Quebec. It has been noted

that this is a very small exception, and the member for Lapointe himself stated yesterday that he thought he was the only one to have such feelings.

It is said in the province that there is a black sheep in every family. Well, he is ours in the province of Quebec.

[*English*]

I should like to say, Mr. Chairman, that I have listened carefully to the hon. member for Qu'Appelle. I will not venture to make a sweeping exposé of my opinion of foreign trade because I recognize that I am only a student while the hon. member for Qu'Appelle is a master in this field. I have listened to him carefully and I realize I have learned a lot from him. I know the minister is a very broadminded person, so he must have been taking a lot of notes while listening to the hon. member for Qu'Appelle.

However, while listening to the hon. member I could not help but feel he had a marked leaning toward our socialist friends, so much so that he felt bound to apologize by saying that he was no socialist. I do not believe he needs to apologize. A good idea is always a good idea whether it comes from a socialist, a Conservative or a Liberal. It must have been a good idea because he felt he was taking something away from the socialists. I hope he is doing so for the good of the country, and I repeat that he does not need to apologize.

I listened to the hon. member for London who praised the government for Expo. I think it is very opportune that we do so, and I join with him not only in praising the government but all those who were or are responsible for this exposition. I believe it is an outstanding achievement in Canadian history. I do not suppose such an achievement will be repeated. We discovered other countries that we did not know too well and other countries discovered Canada. I am happy in the realization that they also discovered Quebec and Montreal.

I believe Expo will have many good results. It will promote national unity. It has done so already in that it was started by a Conservative government and was completed by the Liberals. This is proof of the fact we can achieve unity in some fields. I am sure the exposition will be a fresh stimulus to research and to new discoveries for industry. It will help Canada expand its foreign trade and will develop a sense of national pride in this country, a new sense of Canadianism. Everyone who has taken part in the realization of this wonderful achievement should be praised and we should rejoice in the fact that it augurs well for the future of the country.

[*Translation*]

Mr. Chairman, I am now returning to specific questions which I would like to put to the minister. As I said, I confess my incompetence in the field of foreign trade, and I presume that if I have the opportunity to listen for some time to authorities on the matter, like the hon. member for Qu'Appelle (Mr. Hamilton) and the hon. Minister of Trade and Commerce (Mr. Winters), I will eventually acquire some knowledge.

But there is one thing that is I find quite obscure; I suppose it is that way also in the mind of many Canadians. I see that there are some 70 foreign trade officers in the Department of Trade and Commerce and I wonder, like many others, what their specific duties are? For instance, are those people in those foreign cities simply as contacts between the government or the Department of Trade and Commerce and those foreign countries? Would their duties be simply a matter of fulfilling some specific tasks assigned to them by the department on occasion or would they be, for instance, in a position to give information to Canadian businessmen who might need it? Would they be, for instance, at the service of Canadian businessmen who might want to travel around the world to promote their own businesses? Could they depend on those people, the representatives of the Department of Trade and Commerce, to guide them or to tell them where they could make new contacts? Could those agents, occasionally, distribute literature which could be sent by a province, a municipality or again a company which wants to do some promotion abroad? I am not referring only to massive distribution but to distribution in places where we might find new customers.

• (1:10 p.m.)

Mr. Chairman, I think that the department has made some commendable efforts to popularize that idea and make the Canadian people understand what they can do to promote external trade, but I do not think that we have yet reached what could be called the popular classes of society. In my opinion, such material has reached only enlightened people such as hon. members and some business people who follow a little more closely the activities of the Department of Trade and Commerce.

I wonder whether it would not be possible to popularize trade a little more, so that all our businessmen, all our industrial commissioners, all the members of our municipal

councils could know exactly what kind of co-operation they can expect from the Department of Trade and Commerce as far as foreign trade is concerned.

The thing is not only to buy from other countries, I imagine, but also to sell our own goods. I shall now deal with another subject which is perhaps irrelevant, but may prompt the minister to initiate fuller discussions with those of his colleagues who are concerned.

I am one of those who, after having discussed the matter with many businessmen, are worried about the future of our external trade, because of the rising cost of living in our country, which stems from numerous causes, of course, but which is due in great part to the fact that salary increases are out of line with the increase in productivity.

I wonder if it would not be possible to make information more readily available, that is, to popularize information, so as to make all labour leaders, and the workers themselves, aware that if salaries keep increasing prohibitively, we shall hardly be able to compete with other countries in the field of international trade.

I know that we are already experiencing difficulties in certain fields, because other countries are able to produce at a lower cost than we are. I do not, however, mean to blame the labour unions and the Canadian workers for this. I simply wish to reach a conclusion which I think is obvious to all those who are concerned with the rapidly rising cost of living which will soon affect our foreign trade, if it has not already done so.

I wonder whether perhaps the time has not come for the government to take steps so as to set a ceiling on the cost of living, not only concerning salaries but in all fields, in order to put a stop to this escalation and prevent us not only from facing inflation at home tomorrow, but from finding ourselves at a great disadvantage in regard to other competitive countries in the field of foreign trade.

In my opinion, Mr. Chairman, all this could be summed up by what I said earlier. I think it would be appropriate to intensify, by popularizing it, our whole literature or propaganda, if you wish, all the information published by the Department of Trade and Commerce, so that each Canadian and especially the businessmen or those who have a certain responsibility toward businessmen, such as the members of our municipal councils, may know the kind of co-operation they can expect from each of the officials of this department, who are working in foreign countries, and so that they may themselves take part in this project or program which the department is trying to implement on a wide scale by encouraging our businessmen to expand their foreign trade in order to improve our trade balance with other countries.

[*English*]

Mr. Gilbert: Mr. Chairman, I wish to ask the minister a few questions about vote 5. I notice under trade commissioner service that in the Hong Kong office there is a marked increase from $144,000 odd to $198,000 odd. Why is that? Is that the office which conducts trade with the People's Republic of China? I understand that it does conduct such trade. Information I have received indicates that in 1965 our sales to China totalled $104 million, of which $103 million was for wheat. In 1966 our sales to that country totalled $184 million, of which $183 million again was for wheat. My information also indicates that our imports from the People's Republic of China in 1965 totalled $14 million and in 1966 $20 million. That shows a trade imbalance between Canada and the People's Republic of China. I ask the minister for his views with regard to our present trade policy with respect to that country. What will be our future trade policy in the light of events which have taken place recently in Hong Kong? Will they affect our trade policy in respect of the People's Republic of China?

I also wish to know the minister's views about our trade policy with respect to India, particularly the amount of wheat we sell to that country and the aid we can give its poverty-stricken people. I also wish to ask about our trade policy with regard to the West Indies. Many Canadians think that there should be strong trade agreements with countries in the West Indies and that more trade could be developed not only with the West Indies but with South American countries also.

Possibly the minister could express his views about the possibility of an international sugar agreement as there is no such agreement at the moment. How would such an agreement affect the sugar beet growers of Canada and their accesss to markets?

I also wish to ask the minister about his views on the world textile market and Canada's trading policies with respect thereto. While he is at it, possibly he could make a few remarks about the positions of nickel and copper in our trading policies.

These are some of the general matters with which I should like the minister to deal. He

might also state this country's position in regard to the export trade bank and the government's participation in that bank. If we are to develop our exports, possibly there should be more vigorous participation by the government in the activities of the export trade bank. Would the minister comment about this matter?

My final remarks concern the application of some principles that the minister set out last year when he talked about the guiding principles of good, corporate behaviour. Many Canadians are disturbed at the actions of subsidiaries of United States companies which are doing business in Canada and the behaviour of those subsidiaries with respect to Canadian foreign policy. I should like to know the minister's present views about the corporate behaviour of some of these companies. Would he also say what they have done to create a climate of good will between our two countries? These are some of the matters I should like to hear the minister express himself on, Mr. Chairman.

Mr. Winters: Mr. Chairman, that is a pretty full slate. I shall try to answer the questions roughly in the order in which they were asked. If I miss any I am sure the hon. member will not mind refreshing my memory, as I did not make a note of his questions seriatim.

I think he referred first to the Hong Kong office and to the increase of approximately $53,000 in the estimate. He will note that we added two officers to the office. We also obtained new office premises which involved us in the acquisition of more space at higher cost. That office has become quite a centre of operations because most of our negotiations with China are through Hong Kong. We have no access to mainland China at the present time. Our main item of trade with China is wheat, which they are taking on time and paying for on schedule. Our wheat contracts are in good shape.

It is hard to be precise in answering what our trading policy is with that country to which we have no direct access in the geographic sense. They come to Hong Kong and we go to Hong Kong, which is not a good arrangement, but the trade we do apart from wheat is not very great. We are hoping that our trade will become greater. We are also hoping that the opportunity to sell more wheat to China will continue. We shall probably do so through Hong Kong, though certainly if we could open a direct channel to Peking—I hope we can do so very soon because our present way of doing business is frustrating—it would be most beneficial.

I think the hon. member asked next a question about sugar.

Mr. Gilbert: Yes.

Mr. Winters: The hon. member asked about an international sugar agreement. The hon. member may recall from my previous statements that we are pressing for an international sugar agreement. This would be one way to benefit the lesser developed countries which are so reliant on sugar to support their economies. We have stated to the British commonwealth countries of the West Indies that we would make available to them the residual amount of tariffs under the preferential tariff structure, which would mean about 29 cents a hundredweight in respect of sugar that they sell us this year, up to a total amount—I have forgotten the exact figure but I think it is for 275,000 tons. This should be helpful, but we think the long-term solution lies in a world sugar agreement. We have proposed this and we understand that Dr. Prebisch who is responsible for broader collective commodity agreements such as this will visit us this fall and we hope to advance the cause of a world sugar agreement.

• (1:20 p.m.)

What is next on the list?

Mr. Gilbert: Textiles, nickel and copper.

Mr. Winters: As to textiles, the hon. member has probably had an opportunity to read the material I tabled last night concerning the Kennedy round concessions made by Canada as against the access gained by Canada to other countries, and I think he will recognize that here too we have been able to minimize the impact of the Kennedy round concessions on the textile industry. Many of the textiles which now enter this country from oriental countries do so on the basis of a voluntary quota system. This system is working well and I see no reason why it should not continue to work well.

Perhaps I should refer to a note I have on my desk to the effect that Dr. Prebisch, the director general of UNCTAD, expects to visit a number of capitals to discuss the possibility of new international agreements this year, and he will probably visit Ottawa. In the meantime, contingency plans are being made to convene a conference this fall.

On the subject of nickel, this commodity is still in short supply. We are helping the producing companies to co-ordinate their programs in order to see that Canadian requirements are met, at least to the limit of consumption in Canada during 1966. This program is working reasonably well, even though it means that the companies have not been able to serve their foreign markets as well as they would like because they are giving some measure of preference to domestic requirements.

The world copper situation has improved; supply and demand are pretty well in balance. I do not think anybody is in short supply. There are a number of big operations which have come into production, or are just coming into production, and this is helping the situation. The world copper supply is not in bad shape.

Mr. Gilbert: I mentioned the export trade bank.

Mr. Winters: I presume the hon. member is referring to the Export Credit Insurance Corporation which insures exports and also reimburses banks on a non-recourse basis. We finance exports by private companies as part of a program which has played a significant role in increasing our exports abroad.

I have asked the officials of the corporation to generate ideas for improving the application of export insurance to Canadian exports and I have asked the advisory council whether they have any ideas on the subject. I have also asked members of the banking fraternity if they can generate ways and means, within the structure of the banks themselves, of providing better support facilities for Canadian exports. While I believe the present arrangements are working well, there is always room for improvement and I am trying to find ways and means of bringing improvement about.

Mr. Gilbert: I appreciate the answers the minister has given me. Only this morning I happened to read an article in which the need for greater effort in this particular field of participation in our export endeavours was indicated. I appreciate the active consideration which the minister is giving to this problem.

Mr. Baldwin: Mr. Chairman, I do not intend to speak for very long. I realize that as a result of the agreement which was made this morning I am prevented from dealing in detail with results of the Kennedy round. As a matter of fact, quite apart from the agreement which was reached, anyone examining the material which was made available will understand that the sheer bulk of this information would prevent any intelligent discussion now. However, under this item I am able to deal with trade in general and the benefits which flow to this country from the use of our trade commissioners.

I am all in favour of the minister's view, as he expressed it in reply to my hon. friend from Wellington South, that this service is not a frill but a hardworking agency essential to our economic development and to trade relations between Canada and countries abroad. I might even suggest to the minister that from time to time trade commissioners who have returned to this country should be asked to appear before the standing committee to give hon. members some indication of the success they have had in their work and what they hope to achieve in the future. I do not propose that this be done wholesale, as it were, but occasionally it would be of benefit to all concerned if members were given an opportunity to examine some of these commissioners and listen to their views.

I stand here as an unrepentant, unrestricted and, at times, very isolated believer in the greatest possible measure of free trade. I am still optimistic, even after being here for more than nine years. This, of course, means complete free trade, and to achieve complete free trade is almost as difficult as it is for politicians, particularly privy councillors, to reach heaven. Nevertheless, what we have achieved so far is very substantial. I only wish we could have done more.

I am one who believes it was unfortunate that the United Kingdom did not enter the European Common Market early enough to take advantage of the provision in the United States trade expansion act under which a 100 per cent tariff reduction might have come into effect with results even more far reaching in the future than those which have now been achieved. When the treaty of Rome became effective we saw the freer movement of labour, capital and goods within the four corners of the E.C.M., the tremendous expansion of trade which occurred, the development of industry and commercial activity, the general increase in the standard of living in the countries concerned, and surely these are the best arguments anyone could use as to the benefits which flow from freedom to trade and exchange goods and services among all parts of the world.

One of the reasons for the levelling off, at least, of trade and industrial activity within the common market nations today is that having reached a substantial degree of trade expansion they now find themselves restricted as a trading market by the common tariff barrier they have erected against other nations and trading blocs in the world. In any event this is my view, and I think it is one held by many other people. I have no hesitation in expressing my satisfaction that we have been able to go as far as we have. I understand it is not unlikely that further legislation will be sought by the executive of the United States from congress. I assume the minister will be kept posted as to the extent of such legislation and I hope it will be matched by the efforts which we make on our side. This is particularly essential considering the position of the undeveloped nations.

• (1:30 p.m.)

I know this is trite. I know these clichés are used over and over again by people in public life not only in Canada but in other parts of the world. But clichés are clichés because they are statements and restatements of facts, of what is obvious, and they are uttered every so often as evidence of the truthfulness of the facts contained in the statements.

At present some 25 or 26 nations of the world which have the lowest per capita income have the highest rate of population growth. Conversely 30 nations with the highest per capita income have the lowest rate of population growth. The effect of this is very simple. Inside a comparatively short period of time, instead of half of the world being hungry, three quarters of the world is going to be very hungry. Nations are like people, and when that happens they are going to look about and seek ways and means of taking what they have been deprived of. We as one of the great trading nations, as one of the developed nations, must play our part through the aid of the trade commissioners' offices and all the other various weapons which we can place at the command of the government.

Much is being done in the furnishing of aid by Canada and other countries. Not so many years ago I noted that even if we took all of the aid in the form of capital goods, loans, cash, and the dispatch of trained people with certain expertise and knowledge to assist in the development of the underprivileged nations, and added to that the actual dollars or sterling earned by them through the sale of their products, there would still be an enormous gap amounting to $10 billion or $12 billion between what they were earning and what was being given to them and what they required to produce in their own country the plant and the capital goods they need to make their standard of living a reasonable one.

Because of this the developed nations should stretch a point wherever possible to take from those countries, even at some sacrifice to us from time to time, a greater measure of their products than normally might be the case, especially from countries with whom we can develop suitable trading arrangements. In other words, it is not adequate to continue developing solely a system of aid. These underdeveloped countries must lift themselves up, so far as possible, by their own efforts. Only in this way will what we seek be gained. In our trade relations with developing nations we should seek from time to time to accept from them, at a lower tariff rate than would normally be the case, goods which we can use in Canada and thereby provide additional capital to assist those nations.

That is all I propose to say, Mr. Chairman. I wanted to make my position clear because I probably will not be here during the latter part of next week when this issue is to be debated. My views are very strong. I have held them with conviction for a long time. I only regret that during my years in this chamber there has not been one example of an intelligent discussion and debate on the question of foreign aid. We have touched on it concurrently and incidentally when dealing with other matters. I believe that on an issue so important to Canada it is important that we debate it in the house and in committee.

One of the reasons that we will be entering into discussion of the Kennedy round of negotiations is that there has been a great deal of apprehension about the outcome. I recall two or three years ago asking the minister's predecessor to consider producing a white paper which, without harming the efforts of our negotiating officials at Geneva, would give an indication of the government's views and intentions so that we could have an intelligent debate in the house and arouse national interest in the issue. That did not happen, but from now on I hope this is a matter we will pursue more diligently.

With the assistance of the minister and the use of committees we can achieve a greater consciousness of our trade relations with other countries, of the trade agreements which have been made and the trade agreements which are being contemplated. This is only a

start. We shall go on to achieve more trade agreements of this kind in the future.

[*Translation*]

Mr. Régimbal: Mr. Chairman, I would like to refer for a few moments to the comments of the minister about Expo.

[*English*]

Before doing so I would like to ask him one question. In the course of his remarks he mentioned that the number of visitors to Expo had far exceeded the most optimistic forecasts. Could he give us an indication whether this increase applies equally to foreign visitors and domestic visitors?

Mr. Winters: I am sorry I cannot give a breakdown but I suspect we have been receiving more local visitors in proportion to the total than was anticipated. I would guess from the level of expenditure that Montrealers in particular have been patronizing Expo in a very great way which, of course, is right and proper. We anticipate that the proportion of foreign visitors, particularly from the United States, will increase substantially now that the schools are closed and families can travel with their children to Expo.

• (1:40 p.m.)

Mr. Régimbal: This brings me to the point I would like to make. I suspect that the overflow of visitors is mainly due to the fact that Canadians have taken Expo to heart, particularly, as the minister mentioned, the local people within a radius of approximately 100 miles of Montreal. They have gone all out to visit Expo and have reacted with great enthusiasm to what they have seen and experienced. I think it is worth while to note that the vast majority of these people are French speaking Canadians. When questioning local people on the grounds it is not uncommon to hear them say that they have visited Expo eight, 10, 12 or even 14 times. If there is any lesson in respect of unity and pride which can be taken from Expo I think it is the overwhelmingly enthusiastic interest which has been shown by the people within this radius of Montreal.

The lessons to be derived certainly are far reaching. It is worth noting that in a small city like Lachute at least 90 per cent of the school children above grade four have visited Expo where they have had a great lesson in Canadian pride and the potential of Canadian accomplishment. I believe it is true that one cannot visit Expo without leaving it a little bit more Canadian. I think it is worth while to note that French speaking Canadians have gone all out for this all-Canadian venture. I believe that out of it will develop a great degree of Canadian pride from coast to coast. I believe it will provide a great contribution toward an all-Canadian unity. I believe it is more than likely that this will be the main byproduct of Expo.

It is particularly important that this be underlined at this time because in past months we have read on occasion certain statements which have been made by radicals in all quarters. These people who speak of separatism and independence unfortunately receive much coverage in the news media across the country. I believe we should take this opportunity to underline that these people who often try to put forward the idea that they are speaking on behalf of French Canadians have no mandate and no authority to speak in that manner.

When speaking to various groups across Canada in past years I have had the opportunity to say that my name is Roger Régimbal, my constituency is Argenteuil-Deux-Montagnes and that I come from "la belle province de Québec". I say that I am French but reasonable. The essential footnote to add to that, however, is that there are millions like me in the province of Quebec but unfortunately they do not get headlines. Therefore we should take an opportunity like this to underline for the benefit of all Canadians that French Canadians are aboard, are very much a part of this enterprise, and wish to be identified as being a part of it.

I believe that the enthusiastic response to Expo by Quebeckers, old and young, is without doubt an indication, contrary to the impression which might be given by the outlandish statements made by certain individuals, that when the chips are down and it is time to act and show solidarity and pride in Canada, French Canadians like other Canadians, no matter in what domain, whether it be industry, commerce, or finance, will deliver the goods.

Mr. Winters: I should like to say that I believe the hon. member deserves a great many headlines today.

Mr. Churchill: Mr. Chairman, as one who happens to come from a different part of Canada I should like to thank the hon. member who has just preceded me for his statement and for his correction of the bad impression given by some people in this country with regard to certain sections of it. I might

say to him that there are some people from western Canada who sometimes create a bad impression of that wonderful land.

These words have to be spoken. I hope they get the attention they deserve. I believe that unnecessary attention has been given to a small minority which constantly is given the privilege of appearing on television or on radio to express views which are so far removed from the views of the vast majority of the people that they are really ridiculous. I believe a great disservice is rendered to Canada by the news media which play up these minority views.

We had one example the other day when the hon. member for Lapointe attempted to upset the proceedings of this house and destroy the expression of unanimous respect which we were showing to Her Majesty the Queen by the resolution passed by the two houses. That was played up on television as if it were a major incident. Actually what should have been played up on television were the remarks of the party leaders which expressed the thoughts of the members of this house rather than the play for publicity by one member who sits as an independent and carries no weight at all in this House of Commons.

I did not rise to speak on this subject, Mr. Chairman, but I was interested in what my colleague said. I express my regret that the estimates of the Department of Trade and Commerce have reached the House of Commons just at a time when the attention of so many people is engaged elsewhere because of the royal visit. This is a department which deserves great attention from the House of Commons because of its importance to our economy and because of the good work that the trade commissioners have been doing over the years in so many posts abroad. I should like every year, when the opportunity arises, to pay my tribute to the work done by the people in the department and particularly by the trade commissioners with whom I had a very pleasant experience during a relatively short interval.

I know of no department that is of greater interest. I know of no department that is more efficient than the Department of Trade and Commerce. I do not believe there is any department which does more abroad for Canada than it does. I do not wish to appear to be downgrading the Department of External Affairs which also works abroad, but the expansion of our trade has always seemed to me to be more important than some of our activities in diplomatic circles. For many years now I have advocated that greater emphasis should be placed on our trade commissioner service and on the employment of trade commissioners rather than on some of our activities in external affairs, because the information which we receive from some of the smaller countries of the world as a result of our external affairs activities is not of the same vital importance to the development of Canada as is the information that the trade commissioners supply in respect of the development of our economy.

I note that there has been an increase in the number of trade commissioners, to which I raise no objection. I should like, however, to ask the minister certain specific questions. Apparently he has opened two or three new posts. I should like him to mention these and tell us why they have been opened. I also notice that he has closed one. Perhaps we might also have an explanation about that. Will the minister please enlighten me in this regard? I have always felt moderately competent in geography and I seldom feel at a loss to determine where various cities are located, but the name following Hong Kong is new to me. I do not know how to pronounce it and I do not know where it is. I am sure the minister has this information at his fingertips or will receive a message from above.

• (1:50 p.m.)

Mr. Winters: It is in Pakistan.

Mr. Churchill: May I ask the minister to reply to my questions about the opening and closing of these various posts?

Mr. Winters: Mr. Chairman, we are closing the one in Bombay because we find we can obtain better efficiency through operating our facilities in India in New Delhi. The office to which my hon. friend has just referred in Islamabad, which is in Pakistan, is being opened because, as I understand it, this is to be the new capital. We have just opened an office in Nairobi to serve the developing area of central Africa. We have opened an office in Belgrade to take advantage of what we think are better trading opportunities in the socialist countries in eastern Europe. That is all I can say at the present time.

Mr. Churchill: I understand you have opened another one in San Francisco.

Mr. Winters: We are opening a tourist office there and I will provide supplementary information in this regard in a few minutes.

Mr. Churchill: The minister has said nothing about closing the post in Salisbury which

came about as a result of the activity to which I have raised objections on other occasions, namely, the imposition of sanctions against Rhodesia. I have expressed the hope that now it has become evident that the imposition of economic sanctions against that country has not been effective in achieving the objectives that were set out at the commonwealth conference, steps will be taken to remove those sanctions and re-open trade with Rhodesia.

When this matter was discussed earlier in the House of Commons and the sanctions were imposed the impression was left with us that within a matter of a few months they would be effective and that the political settlement desired by some of the leaders of the commonwealth would be achieved. That has not been the case. I hope the minister will use his good influence to see that there is a lifting of these economic sanctions in order that we may once again establish a trade mission in Rhodesia and resume trade with that country.

We trade with virtually all the countries of the world. We have grave differences with some of them in respect of political matters but we have not hesitated to engage in trade with communist countries with which we are frequently not in agreement. We continue to trade with various countries which have suffered a number of *coups d'état*. Their governments have been upset and unitary governments or military dictatorships have been established. We have continued to trade with them but we have cut ourselves off from trading relations with Rhodesia. It is a country which has not been subject to military dictatorship or any serious internal trouble but which has had a political difference of opinion with Great Britain.

For 43 years Rhodesia had the right to act independently in respect of all matters except defence and foreign policy. Yet Canada at the urging of various people immediately swung into line and severed relations with Rhodesia. I think that diplomatic relations should be resumed and that trade relations should also be resumed. Why should we continue to trade with certain other countries which have effected bloody revolutions and where the heads of state have been assassinated or disposed of in one way or another and not trade with Rhodesia? Canada's response in many of these instances has been an immediate recognition of the new government. Yet in respect of Rhodesia we broke off relations and imposed economic sanctions. This is a blot on our record.

[Mr. Churchill.]

We have heard on many occasions that one way toward maintaining peace in the world is through friendly trading relations. Yet with this country of the commonwealth we have broken off trading relations and set up a barrier. We can afford to have a difference of opinion in respect of how the government of Rhodesia should operate but surely this should not extend to the realm of our trading relations. Can we not maintain our trading relations with Rhodesia despite our difference of opinion in respect of political matters? We continue our trading relations with Nigeria which appears to be on the verge of a civil war. We are entering into and have carried on trade with nations in Europe which are under Russian domination. We have not hesitated to trade with Russia, although we have never approved of its form of government. So it goes all down the line, even with the African country of Ghana, the government of which was upset and the premier expelled. We immediately recognized the new government and continued our trading relations. We have maintained our trade post there. I ask this question of a minister of the crown who in our opinion on this side of the house ranks as being one of the more reasonable members of the treasury benches.

Mr. Knowles: Watch out, Bob.

Mr. Churchill: Will the minister use his good influence to change the opinion of the Canadian cabinet and insist on re-opening trade relations with Rhodesia? How can we ever get to understand a country unless there is some communication? We are now cut off from Rhodesia which is one of the more developed countries of Africa, having been developed in a material sense by European whites. The native population is not oppressed in the way the native population is oppressed in some other countries of Africa. There has not been bloodshed or genocide there such as we have read about in other countries which have gained their freedom. Yet Canada adopts this attitude of breaking off trade relations with Rhodesia. I should like to know why this attitude continues when the imposition of economic sanctions has proved to be ineffective. I ask the minister to do something about this.

• (2:00 p.m.)

I have one final question for the minister. I was hoping to find a really awkward question for him. Under the last item of vote 5, "Unallocated and miscellaneous" there is an increase of between $700,000 and $800,000,

which strikes me as being rather unusual. Has the minister an explanation for that?

Mr. Winters: Mr. Chairman, could the hon. member refer me to the page?

Mr. Churchill: It is page 497.

Mr. Knowles: It is over $800,000.

Mr. Churchill: Yes, it is over $800,000. My subtraction was poor.

Mr. Winters: Mr. Chairman, while I am getting that information I should say that the hon. member was quite right in his reference to the office in San Francisco. We did open one in January, 1967. We financed it out of general appropriations until we could get an estimate for it this year. That is why it did not show up in the estimates last year but has this year. We also closed the office in Salisbury. I share the regret of the hon. member about this. In days gone by I had opportunities to do business in Southern Rhodesia and always enjoyed it. It is a fine place in which to work and a good place to conduct operations. But the relationship between the Canadian government and the government of Southern Rhodesia had to be viewed in the broader context of our commonwealth relations and in fact our position in the United Nations.

Once that was determined, quite apart from our trading relationships we had no option but to close the office because we were not doing trade. A number of Canadian enterprises there have suffered severely because of this. It is one of those situations in which nobody gains. Our trade has been impaired and our relations have been impaired. I suppose this is part of the sacrifice one must make in support of a principle. But I share the hope that this principle can be worked out in the near future because nothing would please me more than to get back on good, friendly relations with Southern Rhodesia and, from the point of view of the Department of Trade and Commerce, to get back on good, sound trading relations with the very fine country of Southern Rhodesia.

If the hon. member would permit me, I will get him the information on the item "Unallocated and miscellaneous". I do not have it before me at the moment but expect to have it in a few moments.

Mr. Knowles: Mr. Chairman, while the minister is waiting for word from on high perhaps I might ask him a question with reference to a matter on which he made a reply a while ago. Before I do so may I say that the hon. member for Winnipeg South Centre has referred to the situation in Rhodesia as being simply a matter of a political difference of opinion between that country and the United Kingdom. I saw the hon. member for Winnipeg South Centre moving in his chair and thought he was going to rise and object that I had not quoted him correctly. However, I believe I did. I would like to make the point that we think the issue over which that difference arose is a pretty basic one, namely, the rights of people regardless of colour. In any case, I agree with the position taken by the Minister of Trade and Commerce in his reply to the hon. member for Winnipeg South Centre.

Some time ago when the minister was answering the hon. member for Broadview with regard to our trading policy with the People's Republic of China, he indicated that the negotiations have to be conducted at Hong Kong. If I understood the minister correctly, he said that he found this situation quite unsatisfactory and hoped it would not be long before we had an office of some kind in Peking. I should like to ask—

Mr. Winters: I did not say "an office in Peking"; I said, "direct contact in Peking."

Mr. Knowles: All right, I accept that correction. The minister says that he said the government would like to have a direct contact in Peking. Precisely what the minister meant by that is what I wanted to ask. Did he imply the opening of an office by his department, did he imply that the hope was that we might soon open diplomatic relations with mainland China, or what did he mean by that reference?

Mr. Winters: No, Mr. Chairman. All I meant was that when we negotiate with somebody we like to be able to do so face to face on their home ground and face to face on our home ground. We do not necessarily have to open an office to negotiate a business transaction with people. I am not prepared at this stage to say whether we will open diplomatic offices in a formal way or trade offices in a formal way. All I am saying, and nothing more at this stage, is that I like to be able to come face to face with people on their home ground when we are doing business with them.

Mr. Knowles: Those are fine words, but I wish the minister would say what they mean.

Mr. Winters: That is all I mean. I would like to have freedom to go to Peking and would like to be able to invite our Chinese friends with whom we do business to come here and negotiate with us. I think it is not entirely satisfactory to do it in a neutral place such as Hong Kong. That is all I mean.

Mr. Knowles: Why don't you do it?

Mr. Winters: Because of circumstances of which my hon. friend is very well aware. We do not receive a ready response to our requests to visit Peking, nor do we receive a warmhearted response at all times to invitations we extend to them to come here. It is just a *modus vivendi* we have worked out to meet current circumstances. We have lived with it, but it is not the best way of doing business.

Mr. Chairman, may I answer the question posed by the hon. member for Winnipeg South Centre? I am told that the figure of $1,004,830 shown on page 497 for 1967-68 corresponds to the total of the two figures shown in the 1966-67 column as $202,555 and $761,700, which together total $964,255. So the differential in the two figures is only $40,575.

Mr. Gilbert: Mr. Chairman, one of the many questions I asked the minister was with regard to his views on the application of the principles of good corporate practice. I notice that in the statement he made to the committee he said there was information available concerning surveys in 1964 and 1965. I understand that the President of the Privy Council has a task force assembled to study foreign ownership in Canada. I was wondering whether it is going to study the application of these principles of group corporate practice. Would the minister express a more up to date opinion on this matter than that contained in the statement he made to the committee?

Mr. Winters: Mr. Chairman, it occurred to me just a moment ago that this was part of the series of questions the hon. member had asked and I had overlooked dealing with it. It slipped my mind. There is very little I can add to the report that was tabled in the house a relatively short time ago, which was a condensation of some 250 returns representing some 800 companies; there was consolidation by a considerable number of them. Since that time we have received about 70 returns. They are being processed now. There are one or two, figuratively speaking, that are still outstanding but the companies concerned said they would submit them. They are therefore all complying with our request for this information which is now being processed.

• (2:10 p.m.)

On the overall they show quite a normal method of corporate conduct, and I think it is fair to say that the subsidiaries of foreign companies in Canada operate in very much the same manner as do our domestically owned companies. In some cases they do so a little better. On the whole they tend perhaps to conform a little better to the principles of good corporate citizenship as now defined. Of course, when striking an average there are some which do better and some which do worse. Some are not quite as good as we would like them to be. One or two of them have said that their corporate policies are determined in the head office. However, we intend to pursue the matter with them and I do not believe there is any ill intention on their part. We have made all the material relating to this subject available to the committee presided over by the President of the Privy Council, and I think it will be very helpful to him in conducting his own analysis.

This is not just a one-shot operation. We have asked the companies to continue it on an annual basis. It is very hard to observe their conduct from a single return. This can only be done by observing trends, and we are trying to accumulate sufficient information to enable us to do so.

Mr. Churchill: I regret I did not understand the minister's explanation of the last item of vote No. 5 under the heading "Unallocated and miscellaneous". It may be all very well to say it is a combination of the two items which appear in the 1966-67 column, but surely the same practice is not in effect for 1967-68. In 1966-67 the Minister of National Revenue used a sleight-of-hand procedure and extracted money from the contingency fund and from other sources in order to avoid the difficulty which he was having over the voting of interim supply. I do not know whether the 1966-67 figure means that the department paid back to the contingency fund $761,700. That may be all right for 1966-67, but why should there be over $1 million in the unallocated and miscellaneous fund for 1967-68? The minister does not have to go through the same procedure as the Minister of National Revenue did.

Mr. Winters: The reason for unexpended moneys is to be found, for example, in the office in Salisbury for which we budgeted but

which was not opened. We had some unexpended funds in Havana and in Belgrade where the office was not opened as early as was anticipated. There were some unexpended funds in Colombo, Geneva, the United Nations office in New York and all other embassies where we do not have representation where minor expenses were incurred by the Department of External Affairs on a recoverable basis. The sum total adds up to the figure indicated.

Mr. Churchill: I do not know what the Auditor General will think of this but I do not think much of an unallocated sum of $1 million.

Mr. Winters: It is better than to have an over-expenditure of $1 million.

Mr. Churchill: The minister is expected to be specific in requesting supply from the House of Commons and to give us the specific items. This has been done all the way through vote No. 5 up to this item. I would not call it a slush fund but some people who are not as careful in their use of language as I am might do so. I can see the minister is anticipating the employment of 22 more people for whom provision must be made. This would come under "miscellaneous". It seems to me that $266,765 is adequate for the office in Paris where 22 or 23 people are employed, but here we have an unallocated sum of $1 million. If it were not for the fact that we are here on a Friday afternoon when all sorts of interesting activities are going on in town I would move to have that sum reduced to $1.

I gave the minister a few seconds in order to devise a better and more palatable explanation of this unspecified appropriation of funds. The minister says it is better to have it this way than to overspend, but the practice of bringing in supplementary estimates has been well established and when a department overspends, makes a mistake or has to enlarge its activities, supplementary estimates are brought in to cover the amount of money that is expended. However, the Minister of Trade and Commerce is expansively asking for a blank cheque for $1 million. I do not want to be too hard on him because he agreed with me with regard to Rhodesia, which is good.

Mr. Knowles: Did the minister agree with the hon. member?

Mr. Churchill: Yes, he sympathized with the point of view expressed and he did not agree with the hon. member for Winnipeg North Centre.

Mr. Knowles: In that case I withdraw what I said about him.

Mr. Churchill: The hon. member was an exponent of a one man, one vote policy in Rhodesia with which I disagree completely. I do not want to be too hard on the minister, but I wonder whether he has a better explanation for this unallocated sum.

Mr. Winters: The only supplementary information I can give is that out of the total amount of $1 million, $687,150 relates to funds provided for retroactive salary revisions which were allocated from the financial contingency fund. These were not prorated to individual offices. It was set up in this way at the request of the Treasury Board.

Mr. Churchill: Should it not have been set up separately as it was in 1966-67?

Mr. Winters: Perhaps it should; I am not sure. I do not know the precise reason for that. The only reason I know for doing it this way is that it was done at the request of the Treasury Board and I understand it carries the judgment of the Auditor General.

Item agreed to.

10. Canadian Government Exhibition Commission, $5,258,000.

Mr. Churchill: Mr. Chairman, let us not rush through this item. As I said earlier today, we are not under any obligation to pass the estimates of the Department of Trade and Commerce under a guillotine procedure, as we are with regard to four other departments. These estimates may very well be concluded later. I think we should be a little careful about rushing things through today and voting money without obtaining an adequate explanation.

However, this is not my only reason for rising at this point. The Canadian Government Exhibition Commission is a very active branch of the Department of Trade and Commerce and it does not always receive the recognition it deserves. There are 125 people working in that branch and they are continually on the job preparing government exhibitions in various places around the world. I think that the minister, who takes some pride in his work, would not mind at this stage taking a few minutes to tell us what this commission is doing and what, for example, it has done over the last year as well as what are its plans for the future. In the course of his remarks he might tell us whether they are already starting on work for the world's fair which will be held in Tokyo. The

Canadian Government Exhibition Commission is too important a section of the Department of Trade and Commerce to pass without attention. It is a very worth-while commission and the public should be informed through the House of Commons, and for the sake of the members as well, just what the commission is doing.

• (2:20 p.m.)

Mr. Winters: I agree, Mr. Chairman, that this is an important part of the departmental function and it is a very good operation in my opinion. The commission is responsible for setting up Canadian exhibits around the world when we participate in fairs. I believe it does a highly creditable job. It was responsible, among other things, for setting up the display in the caravans that are operating under the general jurisdiction of the Secretary of State. I had an opportunity to see one of these caravans and was extremely impressed by it.

There is a great list of fairs and shows around the world in which Canada participates. One recent example was the air show in Paris where the department set up the exhibit and helped to service it. This air show was attended by my colleague, the Minister of Transport. Perhaps he could give his own opinion on whether or not the exhibit was suitable.

Mr. Churchill: Why didn't you go instead?

Mr. Winters: The Minister of Transport has more direct responsibility for aviation than I have, and it was an air show. There is a long list of fairs in which we participate but I am sure the hon. member would not want me to mention them.

Mr. Churchill: Would the minister mention half a dozen of the more important ones?

Mr. Winters: Yes. For example, we are participating in the Alaska centennial celebrations in Alaska, which will take place from May 27 to September 1, 1967; the international exposition for 1968 which is known as the hemisfair, in San Antonio, Texas; the Japan world exposition, which is known as Expo '70 and is scheduled to be held in Osaka in 1970. The Canadian government has agreed to spend there an estimated amount of $11.2 million.

We held a competition to which we had a response from over 200 architects and architectural firms. The 200 entries were narrowed down to six finalists from which we selected a design which was unveiled just last week. The winning firm of architects is a well known firm from Vancouver by the name of Erickson-Massey. I believe the design they have produced is highly imaginative and will attract considerable attention. Our participation in Osaka will cost $11.2 million, including everything, but the building itself will cost very much less than that.

This is a creative branch of the department, and I think the work done in this field is in keeping with that done by any other country in the world. If the hon. member would like me to give details on what we have done or what we will be doing, I will be glad to give them.

Mr. Churchill: I think it is very important that there should be a more detailed list given. I realize the list is given in the annual report. However, an opportunity is presented here to attract the attention of members who might not, because of pressure of work, read the annual report. There is an opportunity, despite the press releases issued by the minister's office, to draw the attention of the news media to this branch. I presume there are business enterprises in Canada that sometimes do not take full advantage of the opportunities provided by these exhibits. The minister might also tell us what part, if any, this branch played at Expo '67 in Montreal.

Mr. Winters: At Expo '67 in Montreal the trade fair people played a prominent role in laying out the exhibit in the Canadian pavilion and they were consulted widely with regard to other layouts. I feel that as a result the Canadian pavilion is a very good place. I have a long list of fairs in which the Canadian government is participating. I could give a few examples. In January there was the SAE Automotive Engineering Congress and Exhibition in Detroit; the National Boat Show in New York; the International Hardware Trades Fair in London. In February there was the National Sporting Goods Association Convention at Chicago. In March there was the Boston Gift Show, Boston; the Salon International de l'Agriculture, Paris; the Netherlands Industries Fair, Utrecht; Daily Mail Ideal Home Exhibition, London; Institute of Electrical and Electronic Engineers Conference and Exhibition in New York and the Canadian Housing Exhibit, Paris. In April there was the International Children's and Babies Fair, Cologne; the American Society for Tool and Manufacturing Engineers Exhibition, Chicago; the International Engineering Exhibition, London and the International Fur Fair, Frankfurt. In May there

was the American Institute of Architects Convention, New York and the Salon International de l'Aéronautique et l'Espace, Paris. In June, there was the Barcelona International Samples Fair, Barcelona; the Supermarket Institute Show, Cleveland; the 36th Poznan International Fair, Poznan, and so on. Do you wish me to read the others?

Mr. Churchill: Go on, that is very good.

Mr. Winters: In August we will be participating in the New York Gift Show, New York; the Belfast Telegraph Ideal Home Show, Belfast. In September, there is the International Autumn Fair, Zagreb, where I had the pleasure of visiting last year, and the International Trade Fair, Brno, where I also had the pleasure of visiting. There is the National Office Furniture and Equipment Show, Chicago, the International Exhibition of Fine Foods and Provisions, Cologne and the International Dairy Cattle Fair at Cremona.

In October, Mr. Chairman, there is the German Industries Fair, Berlin; the National Shoe Fair of America, Chicago; the Salon Technique International de l'Equipement Hôtelier du Matériel de Cafetéria et des Industries Connexes, which is an exhibition of hotel, cafeteria and catering equipment in case hon. members did not understand my brand of French. This will take place in Paris. Then there is the American Society for Metals Show, Cleveland; Electra '67, Johannesburg; the International Fair for Sports Goods, Camping Equipment and Garden Furniture, Cologne; Pacific International Trade Fair, Lima. In November, there is the International Building Exhibition, London; Salon International du Bâtiment, Paris.

Mr. Knowles: It is 2.30.

Mr. Winters: Do you wish me to finish the list?

Mr. Churchill: Yes, finish the list.

Mr. Winters: In December there is the National Association of Home Builders Convention, Chicago. Then, there are a number of regional lumber shows in New York, Minneapolis, Kansas City, Charlotte, Omaha, Houston, Orlando and Oklahoma City.

The Chairman: Order. Pursuant to an order of the house passed yesterday the sitting of the committee of supply is suspended until four o'clock.

SITTING SUSPENDED

SITTING RESUMED

The committee resumed at 4 p.m.

The Assistant Deputy Chairman: Order, please. House again in committee of supply, estimates of the Department of Trade and Commerce, Vote No. 10. Shall vote 10 carry?

Item agreed to.

15. Canadian Government Travel Bureau—To assist in promoting the tourist business in Canada including a grant of $55,000 to the Canadian Tourist Association, $9,991,000.

Mr. Churchill: One minute, Mr. Chairman. I do not want to delay matters but we have about 50 minutes at our disposal and we are dealing with a department of considerable interest. The minister himself is anxious to give a great deal of publicity to his operations in this department, and I want to help him.

Mr. Winters: Thank you.

Mr. Churchill: I was associated with this department for a number of years and I know how valuable it is to Canada.

Some hon. Members: Hear, hear.

Mr. Churchill: Yes. Many ministers on the government side have had some association with that department. It deserves attention. Though I do not advocate that the minister should beat the drum all the time, nevertheless I want him to draw to the attention of the House of Commons the advantages that this department brings to Canada as a whole and how the Canadian Government Travel Bureau assists in promoting the tourist business in Canada.

This item ought not to be passed without comment. Here is an opportunity for the minister once again to emphasize the value of the tourist business and of the government travel bureau. He can give us information about what the bureau has been doing under his stewardship. I assume that, as other ministers of trade and commerce have our present minister has taken some interest in this aspect of his department and is prepared to tell the committee what is going on, what his forecast of future operations is and if there is to be an expansion of this service.

Because of a number of elections and the postponement of the study of estimates, as well as other, similar considerations, we have not had a chance during the last three years to pay the same attention to departmental activities that we have paid in the past. As I said before, we suspended today's session

For understandable reasons we are working under a slight disadvantage today and cannot give to this department all the attention it deserves. Nevertheless I shall ask the minister to inform us about some matters and to put on the record what this travel bureau does, how effectively it is working, what its future prospects are, as well as letting us know whether he has any suggestions toward improving the service, if it needs to be improved. He can say whether he wants the support of the members of the House of Commons in his activities, in that regard.

Sometimes ministers of the crown find that their colleagues in cabinet cause them the greatest difficulty. If they can go to a cabinet meeting and say, "The House of Commons is in favour of this proposal," that strengthens their hand in cabinet. Then there is that awful establishment called Treasury Board which rides roughshod over members of the cabinet who are not on the Treasury Board committee. I shall not recount again, as I have in the past, my experiences with Treasury Board a few years ago; but I still bear the scars. Perhaps the present minister has a different approach to Treasury Board. Maybe he is on Treasury Board himself.

• (4:10 p.m.)

Mr. Monteith: I rise on a question of privilege, as one who was a member of Treasury Board at the time to which my hon. friend is referring. He seemed to imply that ministers who were members of Treasury Board found their requests for funds dealt with much more rapidly than those who were not. I take exception to that statement.

Mr. Churchill: Well, in that case, I have been under a misapprehension for a number of years, obviously. Of course I am bound to accept the statement of an hon. member made here in the House of Commons. It is my good fortune to meet this hon. member frequently in private, however, and we shall discuss this matter privately on some occasion and not burden the committee with it.

Mr. Pickersgill: Perhaps the hon. gentleman will permit me to ask him a question before he goes on to another point. Does the exchange we have just heard indicate that he and the hon. member for Perth are now joining in the leadership race?

Mr. Churchill: Well, I already have a mover and a seconder, but neither of them has as yet committed himself to vote for me.

Some hon. Members: Oh, oh.

[Mr. Churchill.]

Mr. Churchill: I see no obstacle in the way of any member of this party putting his name up for leadership. As a matter of fact—this is just an aside, Mr. Chairman—I was talking to the leader of the New Democratic Party last night and I asked him how they managed things in his party. He informed me that according to their constitution there will be a vacancy as of Monday. I said: "Then you will be relieved of all your responsibility." He agreed. The burden would then be carried by the joint co-chairmen of the convention. I asked him what he would do if some statement were made of national or international importance. "Oh," he said, "I would carry on as house leader and, in that capacity, I would deal with the statement."

Mr. Knowles: Order.

Mr. Churchill: I expressed the hope that the hon. gentleman would be re-elected, you know; his party can go on making mistakes if it wishes. I said I was not certain he would encounter any opposition, but I had discovered there was a surplus of candidates in the Conservative party, and we might supply some assistance in that way. His suggestion, in return, was that we might work out a lend lease program which would be of benefit to both parties.

The Assistant Deputy Chairman: I hate to interrupt the hon. gentleman. If he had included the words "trade and commerce" in the remarks he has just made, they would not have been out of order.

Some hon. Members: Oh, oh.

Mr. Churchill: Well, Mr. Chairman, a lend lease program is, in effect, a trade exchange, and that is what I was coming to. I do not know how this interruption occurred.

Mr. Knowles: It was caused by a colleague of yours on the front bench.

Mr. Churchill: No, it was an interruption by the Minister of Transport, who is frequently irrelevant. I was talking about the Canadian Government Travel Bureau, and I will now sit down and let the minister answer my questions by giving us a short resumé of the activities of this bureau.

If he wants support from the committee with regard to these activities, then provided he can indicate to us that he has a knowledge of the subject we shall endeavour to support him; and this, in turn, may have a persuasive effect on his cabinet colleagues and on

Treasury Board—and it was because I mentioned Treasury Board that a sensitive member of this house rose and made some objection.

Mr. Winters: I will try to meet the rigid standard of acceptance put forward by the hon. member for Winnipeg South Centre. I have a long association with this operation dating back, now, to 1948 when I assumed responsibility for the Canadian Government Travel Bureau.

Mr. Churchill: It has vastly improved since then.

Mr. Winters: It was then part of the department of reconstruction and supply operated under the direction of Mr. D. Leo Dolan, who had a great maritime background and heritage which he acquired largely, I think, through his association with Senator William Dennis who first sponsored what was to become the Canadian travel bureau.

We went through the pangs of building up this operation for which I was responsible until 1953, at which time it was passed to my successor, who was the Hon. Jean Lesage. I greatly enjoyed my association with the Canadian travel bureau which was then in its infancy. I officiated at the opening of its first office in the United States, in New York. We thought it was a great step forward and we wondered whether or not we could stand the expenditure. It turned out to be a good investment. This is now being followed up, and I think today we have some 23 offices abroad and are on the point of opening several others. The budget of the bureau used to be relatively modest. It is something of an experience to realize that we are now spending $10 million a year on tourist activity. Translate this in terms of results, the amount which derives from this investment of money, and the figure is just as startling—perhaps even more so. Last year, total gross revenue on this account, as far as it can be estimated—and there are no precise yardsticks—was of the order of $840 million, which was a record.

Even so, Canada experienced a net deficit on travel account, showing that Canadians are the greatest travellers in the world. On a per capita basis I think Canadian tourists spend more money than any other tourists. This may be attributable to the fact that we live in such close proximity to the great and friendly United States, and its vast opportunities for travel and purchasing.

This year we are aiming at a total gross revenue of more than $1 billion. This will be a landmark of achievement and I think we will reach the target. If we do, we can forecast with some confidence that Canada will have a net favourable balance on travel account for the first time in our history, as far as I know.

An important development is the number of inquiries which are being generated by these 23 offices of ours around the world. I participated this year in the opening of an office in Paris. We opened another in Seattle a few days ago, and my hon. friend from Peel officiated on my behalf. During the year 1966 there were 1,808,000 inquiries, and these are now all handled by computerized devices.

• (4:20 p.m.)

It is a marvel of modern ingenuity to see the way these inquiries are processed, replied to expeditiously, kits of material made up, all mechanically sorted, put in envelopes and dispatched. That was an all time record, more than the number of inquiries received by any other travel bureau in the world. But in the five month period this year from January through May we had the astonishing number of 2,350,000 inquiries received, thereby setting an all time record of inquiries, and giving an indication that this is going to be the greatest travel year in Canada's history. A great deal of the interest is owed to Expo '67 and all our other centennial celebrations.

Mr. Churchill: And the Pan-Am games in Winnipeg.

Mr. Winters: Yes, Mr. Chairman. I hope to have the privilege of attending them, and I expect to see my hon. friend at them, perhaps in the 100 yard dash.

I do not know, Mr. Chairman, how much more I have to say to qualify for approval of these estimates, but perhaps what I have said is an indication of my interest in this great government operation.

Item agreed to.

Standards branch—

20. Administration and operation, $4,323,200.

Mr. MacLean (Queens): The minister has expressed great hope that as a result of the Kennedy round negotiations there will be a tremendous opportunity for Canadian manufacturing generally to find new markets throughout the world. This brings me to the fact that most of the world in which our manufacturers will find markets for their goods is already on the metric system. This trend will continue because the metric system

has tremendous benefits from the point of view of being practical. Of course it is used universally in science. It would be a great benefit if it were applied to engineering and manufacturing because it would simplify standards, right down to such things as thread measurements, sizes of buildings, manufacturing stock, etc.

The money under this vote is for the standards branch, a branch of government that operates very unobtrusively. The average person tends to forget that it exists at all, and I think it is a criterion of good government when people are not continuously aware of a branch of government because of the irritations it causes. Over the years the standards branch has been doing an excellent job. Standards are the very basis for trade. Historically, standards were the first thing that had to be established for exchange and trade.

I confine my remarks at this time to recommending that the government expedite as much as possible the study, and perhaps development on a gradual basis, of the metric system and its application to our manufacturing concerns, so that they will have the opportunity and the capability of competing with Common Market countries in the markets which the minister hopes will be opened to a greater extent to Canadian industry. I would appreciate it if the minister would bring the committee up to date on the government's thinking in this field, on what has been done, and on what is contemplated will be done toward this objective.

Mr. Winters: Of course, Mr. Chairman, we must guide ourselves by developments in the markets of the world. Our biggest market is the United States, which is still on the current standards system of inches, feet, and so on. However, I believe the trend around the world is toward the metric system. The British have indicated their readiness to adopt it, and I think have given themselves a period of some five years to phase into its adoption.

Certain segments of our economy have already come into the metric system, notably the photographic industry and the pharmaceutical industry. We are keeping very closely attuned to these developments, and as markets in the world develop an acceptability of the merits of the metric system we will go along with them. I do not think I can go beyond that at the moment.

Mr. Hales: Mr. Chairman, I believe it is the standards branch which is responsible for enforcing the Gas Inspection Act, the Electricity Inspection Act and the Weights and Measures Act. These respective statutes stipulate that the fees are to be regulated so that they will cover the actual costs of inspection, but from the latest figures available to me it appears that the branch lost $735,000 on its operations in 1966. That is not the actual cost. If all the costs involved were charged to the department the loss would have been over $1 million. Why does the minister not follow the statutes in this respect, and thereby wipe out this deficit? This is something which should be watched more carefully, in view of the fact that the estimates for the whole department shows a loss of $1,672,400.

The staff of the whole branch has been increased by nine, and there is an increase of $10,000 for office supplies. The increase for travel is $31,000, yet no effort is made to have the branch pay its own way. Is consideration being given to a reassessment of fees so that it will not continue to show a loss on its operations?

This branch is also responsible for checking all measuring devices. I refer in particular to odometers, which are those parts of speedometers that register mileage travelled. I understand that nearly all speedometers imported into Canada come from the United States, and about a year ago it was stated that these speedometers, when tested, were consistently found to be 3.5 per cent over-rated. In other words they were not giving the true picture so far as mileage was concerned.

This has a direct bearing on the car rental business. People who rent cars would like to know they are paying for the actual miles they travel. People who keep close tab on gas mileage, and oil and tire performance, also want to know they are getting the true picture. Are checks being made on these speedometers which are put in Canadian cars?

Mr. Winters: Mr. Chairman, I thank the hon. member for Wellington South for his intervention and I congratulate him on the homework he has done on this branch, which normally remains in the background but which does such valuable work in checking the system of weights and measures we have in Canada.

• (4:30 p.m.)

For some time, I think perhaps dating back to the reign of the hon. member for Winnipeg South Centre, we have had in mind doing something about this branch by way of broader legislative authority in order to bring it up to date. The legislative program of this

house in respect of items which have high priority has been so heavy that we have been unable to deal with this, but it is our intention as soon as possible to bring before the house legislation which will revise some aspects of the statute. We do not need to do this in order to charge fees which are more in line with the expenditures. We are looking into this matter and perhaps I will have more to say on this at a later date.

Item agreed to.

29. Canadian Government participation in the 1967 World Exhibition, Montreal, $6,750,800.

Mr. Churchill: This vote I imagine is acceptable to the house because of the general interest in the world exhibition in Montreal and because of the general success of that enterprise. I wonder whether the minister at this stage might review this from the beginning. In addition to the estimate which appears here, perhaps he would indicate the total amount of money we have voted over the years in respect of Expo '67. In so far as he has the information, he might also give us the figures for attendance at the fair and the forecast with regard to the financial success of the exhibition.

The reason I ask for this is that although a tremendous amount of information appears in the daily press, radio and television, nevertheless I think it should be recorded in *Hansard* at this particular stage so that the progress to date will be included in our permanent records. This will all come out later, of course, when the world fair is over and the totals are added up, but I think an interim report at this stage would be helpful.

It is very appropriate that this should come under the Minister of Trade and Commerce. It is interesting to note that two very active and major figures on the staff of Expo '67—without in any way detracting from the work which has been done by others —are former members of the Department of Trade and Commerce. This is an indication of the type of able people who are employed by that department. They have had an opportunity at an international exhibition to show to everyone that we have in Canada men who are fit and capable to do things at an international exhibition which are comparable in standard to what has been done by people of other nationalities at other world exhibitions. There may be others, but I am referring to Mr. Andy Kniewasser and Mr. Leslie Brown, both of whom were very active and capable members of the Department of Trade and Commerce when I had the pleasure and honour to report to parliament for that department.

The engineer who was largely responsible for the construction of the site and for the general arrangements surely must be, somewhere along the line, a relative of mine. I have not quite discovered the close connection, but he appears to exhibit the characteristics of the Anglo-Saxon clan to which I belong.

Although I have not said anything in the house about Expo '67 from the time of its origin, I think this is one of the great accomplishments of Canada. I had the pleasure of attending the world fair in New York in 1939, and had an excellent opportunity to see that fair in detail. I also had an opportunity to see the world fair in Brussels in 1958. Therefore I have had an opportunity to make a comparison. In so far as my recollection is concerned, those two world fairs, important as they were, have been exceeded by the extent of, and the emphasis placed upon Expo '67. Time of course has moved on and technological improvements have occurred. Nevertheless, the world fair in Canada this year, in Montreal, has set a standard which will be hard to match in the future, not only from the standpoint of the number of countries which have participated in the fair—this is a major achievement and one which I am sure must be an all time record—but also from the standpoint of the standard of competence which has been displayed at the fair.

As Canadians we naturally are very proud of having such a successful exhibition in our country. We are fully cognizant of the fact that this has attracted world attention to Canada and will result in better relations between Canada and other countries. It will also stimulate trade. We are grateful to the countries which have undertaken to participate in the fair. Thanks to a great many people—the director general whose career in external affairs is well known to the members of the house, and the competent staff —Canadians have found that in this centennial year we have been able to put on display to the world a fair which surpasses any previous world fair. I am sure we are all grateful to those who have done the planning, who have worked hard and who have participated. We are also grateful to the members of the Department of Trade and Commerce for their contribution.

So, at this stage I should like to ask the minister to give us some of these facts, so that they will be recorded in *Hansard* and so that

we will have an official statement of what has transpired with regard to the amount of money expended and the attendance at the fair. Then the minister, from his greater knowledge of the whole operation than is available to me, may wish to mention some other aspects which he considers important. He might indicate what he believes will be the permanent beneficial results from this great Canadian achievement.

Mr. Winters: Mr. Chairman, this particular item covers the Canadian participation through the Canadian pavilion only. The total amount voted for this is $21 million. I am glad to note that this is one of the projects at Expo which is operating within its budget. In this regard I think we must recognize the good work Mr. "Les" Brown has done, and I thank the hon. member for Winnipeg South Centre for his recognition of that. I believe the Canadian pavilion is a great credit to Canada. It is recognized as such by all Canadians who have visited it, and there have been fine and glowing tributes paid to it by visitors from abroad.

In respect of the broader picture of Expo itself, although it does not come under this item and I do not have all the facts and figures at my disposal for that reason, I should like to say a few words about it. I did refer to this earlier today, before the hon. member took his seat in the house. I said that the total attendance now exceeds 16½ million people and is far in excess of the number which had been estimated up to this date.

• (4:40 p.m.)

The mere fact that so many people have visited the site has required the corporation of Expo to spend additional amounts of money, and this is increasing the requirement for capital. It was thought there might be a deficit of something in the order of $137 million in respect of Expo itself. It was hoped that the increased number of visitors through the turnstiles would increase the amount of revenue correspondingly. We still hope that will be the case, but to date it has not been, presumably because many of the visitors are from the local area, who come in in the morning and leave in the evening, without spending a great deal of money on the site. With the summer season now in full flight and increasing numbers coming from abroad there are indications that the amount of money left at the site per capita will increase. By whatever yardstick you use to measure, perhaps with the exception of a strict financial balance sheet approach, this is going to be a great Canadian accomplishment and a great Canadian asset.

We are already concerned about the disposal arrangements for Expo. The master plan which was tabled some time ago indicated an amount of some $74 million which the C.C.W.E. hoped will be realized through salvage and the disposal of assets. We have established a committee under the tripartite governments—federal, provincial and city—to make recommendations to the Corporation of the World Exhibition as to how these assets can be disposed of to the best advantage, and the amount budgeted actually realized.

Hon. members will recall that under the terms, the participating countries are required to remove their buildings from the site, and leave the site in good repair unless other provisions are made. A number of nations have indicated they would like to contribute their buildings, and the mayor of Montreal has indicated he would like to have some of them. This, together with the other arrangements for disposal on winding up in due course, are under consideration. It has already been agreed that La Ronde, which is the amusement area, will continue in operation for a period of some two years under the tripartite arrangement. I expect to bring legislation before parliament in the fall seeking authority to continue participation in this operation for a period of two years, after which it is the intention of the federal government to dispose of its share of the assets, presumably to the city of Montreal.

I am sure we all agree with the hon. member for Winnipeg South Centre that this is a great success, and with the compliments he paid to the commissioner general, Mr. Pierre Dupuy, the assistant deputy commissioner, Mr. Andre Kniewasser, and to the chief engineer, Col. Churchill. There was one man he omitted to mention, because he was referring only to those with previous government service. I refer to Mr. Shaw, the deputy commissioner general, who has been a tower of strength in making a success of Expo. He has made a great contribution around which the whole program has in great measure revolved.

Mr. Douglas: Mr. Speaker, I merely want to say to the minister that I am sure all members of the committee extend their congratulations to him and to his department, and to those who have been responsible for the unqualified success which has attended Expo. I have talked to many people who have visited almost all the world fairs over the years, and

one of them said to me that this is the greatest fair he had seen in his lifetime and the greatest he ever expected to see. This is a fine tribute to all those, including the minister, who have planned and carried out this very large undertaking. If Canadians ever suffered from an inferiority complex, this ought to dispel it.

It is only natural, living beside the country which has the most advanced technology in the world, that there are times when we wonder whether we can do things on as grand a scale, with as much success and with as much flamboyancy as our United States neighbours. Certainly Expo has demonstrated that the governments of Canada, federal, provincial and municipal, in co-operation with the business community and the general public, when they have a common purpose to achieve can do great things together, and Expo is a living example of that type of accomplishment.

We have only seen part of the picture and I think the summer months will add even more lustre. There will be bigger crowds, and before the end of the season I am sure Expo will be far beyond the finest expectations of all of us, including the minister.

At a time like this when we are having a party it is bad manners to ask how much it cost, but I should like to ask the minister two questions for the purpose of clarification. He mentioned the world exhibition and said the total cost was to be something like $21 million.

Mr. Winters: That is for the Canadian pavilion.

Mr. Douglas: Is this amount covered under vote 29? I noticed the figures for the fiscal years 1964-65, 1965-66 and 1966-67 amount to just about $29 million. I think we have already spent $14 million. Will this total amount cover the entire cost?

Mr. Winters: Yes, I understand this will cover the entire cost. The $21 million should be adequate to cover the operation.

Mr. Douglas: The other question I should like to ask relates to Expo itself. The minister mentioned something about an anticipated deficit. I think he referred to a short fall this morning, which is a much nicer way of expressing this situation. He suggested the deficit would be $137 million. He also referred to an amount of $74 million as a salvage and disposal value. Has this amount already been subtracted before calculating the anticipated $137 million deficit, or will that deficit be reduced by $74 million, if we are able to realize that amount?

Mr. Winters: No, we have assumed that there will be $74 million recovered through salvage and disposal of assets in the calculation of that $137 million figure.

Mr. Douglas: So the $137 million will be the deficit after we have recovered the $74 million, assuming we are able to recover that amount?

Mr. Winters: That is a correct observation, Mr. Chairman.

The Assistant Deputy Chairman: Shall vote 29 carry?

Mr. Churchill: Mr. Chairman, I have one final comment to make, and I do not wish to appear to be delaying the procedure of the house unduly. I did want to give an opportunity for the hon. member for Burnaby-Coquitlam to make a speech this afternoon. For that reason I provided him with a topic, as he faces a leadership convention next week.

Mr. Douglas: Mr. Chairman, I certainly want to thank the member for Winnipeg South Centre for giving me the opportunity of shining in such brilliant company. The only difficulty is that he put me at a great disadvantage by having to follow such an outstanding orator as himself. On a comparative basis this has placed me at a great disadvantage, particularly having to go before the convention. I intend to hold him to his promise to enter into a lend lease arrangement, in that some Conservative members are going to be present next week. I assure the hon. member that we will send them back to him completely untouched and untarnished. To avoid your calling me to order, Mr. Chairman, let me assure you that these comments have to do with trade, but not commerce.

Item agreed to.

Special—

32. Grant to the Pacific National Exhibition, Vancouver, towards the cost of constructing a trade fair and sports building at Exhibition Park, Vancouver, the government of Canada's share not to exceed $2,000,000, $800,000.

Item agreed to.

Dominion Bureau of Statistics—

1. Administration and Operation including the fee for membership in the Inter-American Statistical Institute and a contribution of $500 to the International Statistical Institute.

• (4:50 p.m.)

Mr. Churchill: We have a few minutes left, Mr. Chairman, and perhaps the minister

would deal with another matter. The Dominion Bureau of Statistics is another vital factor in the operation of Canada's economy. Very considerable alterations and improvements have been going on in the Dominion Bureau of Statistics over the last few years, because of the realization that is abroad as to its valuable work and the need for enlarging it. We have a few minutes left, and I wonder whether the minister would tell us something about that bureau, which has done such good work in the past.

Mr. Winters: Yes, Mr. Chairman, I would be glad to say a word on behalf of the Dominion Bureau of Statistics, which I think is one of the finest organizations of its kind in the world. I am constantly amazed at the volume and the broad sweep of information collected and disseminated by the Dominion Bureau of Statistics. Hon. members might note that a great percentage of the answers in reply to questions asked on a wide variety of subjects comes through this organization. The subjects range from the consumption of snuff in Canada to the number of whales caught in the north Atlantic ocean.

One might almost say that the bureau has been in a constant state of growth because of the pressure of the demands that fall upon it from various departments. Last year it undertook the census, and this required a considerable amount of extraordinary expenditure. But it was done expeditiously and well. The Dominion Bureau of Statistics is endeavouring to computerize its operations and it has done so to a very large extent. The bureau has a very fine computer operation which enables it to get out the information required quickly. They are constantly working toward accelerating the pace with which information is made available, because the value of any information depends, (1) upon its correctness and (2) upon the speed with which it is made available to those who use it.

This information is made available to the consuming public of Canada, the various trade associations, provincial governments, and many others. The bureau has a wide variety of users and it is important that this information be made available expeditiously and correctly. We are spending a great deal of time and effort in building the bureau into the kind of organization that can meet those tests.

Mr. MacLean (Queens): Mr. Chairman, I appreciate what the minister said with regard to the Dominion Bureau of Statistics. I notice that there has been a growth in the bureau over the years. I am wondering whether there is any way of assessing how much of this growth results in increased benefit to the taxpayers, and how much of the growth in what we might generally term the public service—and I include all branches of the public service—is due to Parkinson's law. Of course, we have to recognize that this is a complicated age and there is a greater and greater demand upon public services of various kinds. These services can be of great benefit and no doubt are of great benefit, but sometimes I am appalled by the fact that we are told that because of automation, new electronic gear, and all this sort of thing, a service becomes very much more efficient, but the net result is that it costs more to provide that service.

I should like to mention an example of this sort of thing. The Minister of Transport made a very attractive statement the other day with regard to the telephone service of the government. A new system was evolved in the last year or so, and every call that is made is costing the taxpayer less money. Nevertheless there has been a very considerable gross increase in the cost of telephone services to, I think, practically every department of government. The answer to this of course is: Well, the government has become much more efficient and the departments use the long distance telephone service much more frequently than was the case when it was more expensive. It is also said it is much more efficient to make a long distance telephone call than it is to write a letter. But there is no evidence that there is any reduction in the cost of the traditional means of communication. We seem to go on and on in this way.

I would like to think there is a very close examination of the necessity for and value of any new service that is provided. I hope I am not misunderstood. I am all for providing every service that is reasonable for helping the economy and the general development of our country. But I think we have to be selective on occasion. I believe we have to select the things that give the greatest benefit for the money spent on them. There will undoubtedly be occasions when we cannot afford certain things, in the sense that they are not justified in the circumstances, and if as a result of deciding that we are to have a wide collection of attractive things the cost to the taxpayer continues to rise at a greater rate than the general growth of our country.

If this trend were to continue indefinitely, the tax burden would become heavier and

heavier. This growing tax burden will have exactly the opposite effect on our economy, our ability to compete in world markets and raising the standard of living for all Canadians, because if all these costs are passed on to the consumer—and it is inevitable that they are, in some form or another—the cost of living will go up and therefore for a given income the standard of living will go down.

I do not wish to create the impression that I hold the view that the Dominion Bureau of Statistics is particularly guilty or vulnerable in this regard. I assume that under the present minister a very careful watch is kept on a tendency to empire building, if you want to put it crudely.

Mr. McCutcheon: Mr. Chairman, I have just one comment to make to the minister. I wonder whether he has read the report of the joint committee of the House of Commons and the Senate and the recommendations of the committee in connection with the service provided by the Dominion Bureau of Statistics. This committee ran into a problem all through its hearings. The problem was that the items relative to the price of food were weighted with this, that and the other thing in such a way that nobody, not even the economists, could give a true comparison with market fluctuations.

One of the recommendations was that the service of the Dominion Bureau of Statistics in this particular field should be overhauled and speeded up, and the reports brought out so that they were readily understandable by the general public. I wonder whether the minister has any comment in this regard.

Mr. Winters: No, Mr. Chairman, other than that we are striving toward that end. As I mentioned, as always there is the demand for the earlier presentation of this sort of material. I have not read the report in full but I have seen references to it. To the extent that the Dominion Bureau of Statistics can improve its efficiency and update its making available of information, we will try to do this.

• (5:00 p.m.)

May I say in reply to the hon. member for Queens that we have been taking a good look at the growth to which he referred. I have been spending a fair amount of time on this point recently, together with the officials of the Dominion Bureau of Statistics and Treasury Board, to see to what extent Mr. Parkinson has been at work there. There has been pressure from other departments requiring information and it is a problem for Treasury Board and the other departments to screen out what is essential. Once it is set out for the D.B.S. as a program approved by Treasury Board or by the government, it is up to the D.B.S. to render the best service it can with their program. The selection of programs is not its primary function; that is a matter for determination by the government, but if these things are not carefully watched there is a danger of Parkinson's law being applied to full effect. This is what we have to guard against.

Item agreed to.

The Assistant Deputy Chairman: With the exception of Vote 1, this concludes the consideration of the estimates of the Department of Trade and Commerce. Shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Resolutions considered in committee of supply this day reported and concurred in.

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

LEIFR EIRIKSSON DAY

MEASURE TO COMMEMORATE LANDING IN CANADA

Mr. Eric Stefanson (Selkirk) moved the second reading of Bill No. C-7, respecting the observance of Leifr Eiriksson day.

He said: Mr. Speaker, Bill No. C-7, respecting the observance of Leifr Eiriksson day, is a very short bill. The explanatory note says that:

> —the purpose of this bill is to commemorate the fact that Leifr Eiriksson was the first European to land on what is now Canadian soil.

I am not asking the government to declare a national holiday but merely to declare a Leifr Eiriksson day to commemorate or give recognition to the fact that Leifr Eiriksson was the first European to land on that part of North America which is now Canadian soil.

On September 3, 1964, the president of the United States, Lyndon B. Johnson, issued a proclamation designating October 9, 1964 as "Leifr Eiriksson day", in recognition of the discovery of North America about the year 1000 A.D. In view of the fact that the United

States has seen fit to declare a Leifr Eiriksson day, it would be only appropriate that Canada do likewise.

I have suggested that the first Monday in August be recognized as Leifr Eiriksson day. My reason for suggesting that day is that on that day the annual Icelandic celebration is held at Gimli, Manitoba. Manitoba has the largest Icelandic settlement on this continent, and Leifr Eiriksson being of Icelandic descent I felt that this would be an appropriate day. The implementation of this suggestion would not cost the people of Canada any money; it would, however, give recognition to what is now known as factual history. That is the important issue.

I wish to read a short article from the Canadian Press which appeared in the Saturday, June 10, 1967 issue of the Winnipeg *Tribune*. Under the heading "Ontario Displays Vinland Map" it says:

> The Vinland map said by Yale university scholars to be proof that Canada was discovered by Norsemen at least two centuries before the voyages of Columbus will be on display at the Royal Ontario Museum for three days next week.
>
> The map, about 11 inches by 16 inches, was drawn on parchment about 1440 from source materials dating back to the 13th century voyages of Leifr Eiriksson, researchers say.
>
> In the upper right hand corner is a large island labelled Vinland, with two river outlets thought to be the gulf of St. Lawrence and the Hudson straits.

This is the same map as was referred to in an article in the October 11, 1965 issue of the Washington *Post* written by staff writer Howard Simons, in which he outlines that Yale University and British museum scholars had unearthed evidence that Leifr Eiriksson had discovered North America about five hundred years before Christopher Columbus. I would recommend this article for perusal by all those who are interested in history and the preservation of historic facts.

Another article which I would recommend for study entitled "Leifr Eiriksson Discovered America" is contained in the 1965 winter edition of the *Icelandic Canadian*. In the same edition there is an article entitled "Some Notes on Leifr Eiriksson's National Origin and the Source on Greenland and Vineland" written by Professor Haraldur Bessason. Mr. Bessason is professor of Icelandic at the University of Manitoba, and he has done a great deal of research on this subject.

The observance of a Leifr Eiriksson day will not in any way effect Canada's recognition of the sailings of John Cabot and Jacques Cartier, or the achievement of Samuel de Champlain who was the first European to establish a permanent settlement in Canada.

[Mr. Stefanson.]

I wish to quote from a letter written by Dr. P. H. T. Thorlakson to the Secretary of State for External Affairs (Mr. Martin), dated January 7, 1965, giving a brief account of the early Viking voyages of discovery and exploration to the western hemisphere, and a brief reference to the recent archaeological discovery in Newfoundland. It reads as follows:

> Eiric Thorvaldson, more commonly referred to as "Eric the Red" because of the colour of his hair, was the first explorer and colonizer of Greenland. In the year 985 A.D. he sailed westward from Iceland on a voyage of exploration. Having selected the west shores of Greenland as the sites for new settlements, he returned to Iceland to arrange for the transportation of his own and several other families to this new land. It is recorded that 35 ships sailed from Iceland but only 14 arrived. Some were driven back, others were lost. With Eric's family was his famous son, Leifr, born in Iceland. Their family home in western Greenland was situated at Eiricsfjord and was called Brattahlid.
>
> Some 15 years later, Leifr was sailing from Iceland to Greenland to visit his father when he was driven off course to the westward and southward by strong winds. He landed in a country which, according to the available records, had never been reached before by Europeans. When he finally arrived at his father's home, he reported the discovery of this new land situated to the west and south of Greenland.
>
> In the year 1007, Thorfinn Thordarsson—better known as Thorfinn Karlsefni, an Icelander who had married Gudrid, the widow of Eiric's son Thorstein, set out to explore and establish settlements in this new land. His expedition consisted of 160 persons and several ships. They sailed from Greenland towards the southwest. He sighted a barren land covered with flat stones, "Helluland" and further south he came to a wooded land, "Markland". He recognized both these lands from the earlier description by Leifr. Thence they sailed far to the south. Finally, on their starboard side, they saw a long coast line with a sandy shore indented with bays. A river entered the ocean at this point. Here they landed and set forth to explore the country. Inland, they gathered ears of wild grain and an abundance of wild grapes. This was Vineland (Wineland) the Good originally described by Leifr Eiriksson.
>
> Thorfinn Karlsefni and his adventurous colonists stayed in this new country for at least three years. During the first autumn (1007) a son was born to Gudrid, the wife of Karlsefni. The child was named Snorri. Many notable Europeans, including the celebrated Icelandic-Danish sculptor Thorvaldsen, trace their lineage to this first child of European blood born in North America.
>
> In the year 1917 the Icelandic sculptor, Einar Jonsson, was invited to the United States by Dr. Henry Goddard Leach on behalf of Mr. Bumford Samuel. By the provision of her will, the late Mrs. Bumford Samuel established a fund which was to be used to erect statues of representative pioneers of America in Fairmont park in Philadelphia.

• (5:10 p.m.)

As a result of this visit, a statue of Thorfinn Karlsefni, created by a gifted Icelandic sculptor, was placed in Fairmont park in 1918, to memorialize these early attempts at settlement and as a tribute to the first European pioneer in North America.

In a book entitled the "Life of Christopher Columbus" written by his son, Ferdinand, is recorded the visit of his father to Iceland in the year 1477, fifteen years before he landed in central America. In a letter from Christopher Columbus to his son, quoted in part only in this book, it is stated that the explorer sailed from Bristol, England to Iceland in February, 1477.

Historians believe that Christopher Columbus' decision to visit Iceland was no doubt made after he had read the works of Adam of Bremen, who was one of the most distinguished scholars of Europe in the eleventh century. Adam of Bremen had recorded the story of the propagation of Christianity in northern Europe. After describing conditions in Denmark, Sweden, Norway, Iceland and Greenland, he stated: "The same king (Svend Estridson) also informed me about the discovery of one more region in that ocean—a region named 'Vinland', because grapes grow there spontaneously, produces the best wine; and corn too, without being sown in abundance."

This book, written by Adam of Bremen, was published between the years 1072 and 1076 in the manner that books were published before printing was invented.

The early discovery, explorations and attempts at colonization of North America, were memorialized by the government of the United States when they presented a statue of Leifr Eiriksson to the people of Iceland on the 1000th anniversary of the founding of the Althing—parliament—in 1930.

Canada, I believe, has now a most cogent reason for officially acknowledging the first recorded discovery of North America by designating an official "Leifr Eiriksson day". For the first time, we now have a day which has great significance to these early events and to our Canadian history. In September, 1964, a pierced stone weight used in spinning was unearthed in the northermost tip of Newfoundland at l'Amse aux-Medows. The discovery on Canadian soil of this soapstone spindle whorl indicates that the early Viking settlers included women, corroborating the accounts of the early Viking settlements along our eastern seaboard which are recorded in the ancient Iceland sagas. The day of this discovery may appropriately be chosen by Canada as "Leifr Eiriksson day" but no doubt other days of the year should also be considered.

A plaque, a centennial gift to Canada was presented by Canadians of Icelandic descent on April 14, 1967, and placed in the new library and Archives building in Ottawa. I just want to quote from the Winnipeg *Free Press* for Saturday, April 15, 1967. The article is headed "Plaque Marks Canada's Discovery" and states:

Prime Minister Pearson unveiled a bronze plaque in the new national library and Archives building here Friday as a centennial gift to Canada by citizens of Icelandic descent.

Dr. P. H. T. Thorlakson of Winnipeg, president of the Canadian Icelandic centennial committee, presented the plaque to commemorate discovery of the eastern coast of Canada by mariners of Iceland and Greenland in the late tenth century.

Mr. Pearson said the plaque "makes us more conscious than ever of the varied origins of our national existence."

He said it is now well established that the first discoverers of what is now known as North America were Vikings long before Christopher Columbus, John Cabot and Jacques Cartier came.

Noting on the trilingual plaque that Icelandic is the most economic language in the number of words used, Mr. Pearson jokingly suggested he would like to see it adopted as the official language of the House of Commons.

The plaque shows an open book and quill recalling work of Icelandic scholars who preserved eleventh and twelfth century records, and a replica of a Viking ship, along with two historic excerpts from The Saga of the Greenlanders, first written in Iceland about 1200 and preserved in a vellum manuscript.

Part I records the sighting of the new land by Bjarni Herjolfsson of Iceland in 986. Part II describes the voyage of Leifr Eiriksson some years later and his landing on Vinland—part of the coast of North America.

The heading on this plaque is, "A chapter of Canadian history—discovery of the western hemisphere". The introductory paragraph at the top of the plaque reads as follows:

This plaque commemorates the discovery of the eastern coast of Canada by mariners from Iceland and Greenland in the late tenth century.

The historic excerpt reproduced below is from Graenlendinga Saga (The Saga of the Greenlanders) first committed to writing in Iceland about A.D. 1200 and preserved in Flateyjarbok (The Flatey Book) a vellum manuscript compiled in Iceland about A.D. 1390.

Part I records the sighting of new land in the west by Bjarni Herjolfsson, of Eyrar, in Iceland, in A.D. 986.

Part II describes the voyage of discovery of Leifr Eiriksson some years later and his landings in Helluland (Flatstoneland), Markland (Woodland) and Vinland (Wineland). These explorations led to an attempt at colonization by Thorfinnr Karlsefni, whose son, Snorri Thorfinnsson, was born on this continent.

Archaeological research in western Greenland and eastern Canada supports these ancient Icelandic records of exploration and colonization.

In conclusion, by the acceptance of this plaque, the government of Canada has recognized that mariners from Iceland and Greenland were the discoverers of the east coast of Canada and, indeed, of North America. The United States has given recognition to the fact that Leifr Eiriksson was the discoverer of North America and also that he was of Icelandic descent. I think it would be fitting if the government of Canada saw fit to recognize this historic fact in a similar manner.

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Mr. Speaker, Leifr Eiriksson is a symbol, a symbol of

those adventurers whose spirit of inquiry defied danger and death. They are like the men who saw fit to climb Everest, a number of whom were lost, but finally Everest was conquered. The only explanation they could offer for their effort was that it was there. There was no greater purpose than adventure itself. These fierce Norsemen sailed the wild sea and discovered this land in which we live. I am reminded of these lines:

> Forth sped the Viking bold
> E'en through the Arctic cold,
> On, ever onward...
> Three weeks we westward hove,
> And when the storm was o'er,
> Cloud-like we saw the shore
> Stretching to leeward.

The hon. member for Selkirk (Mr. Stefanson) is an excellent representative of his Viking ancestors. To him and to those pioneers who played a part in ushering in the drama of this new world, we say, "Skol". I believe in the importance of symbols, whether they be flags, shields or badges. I believe in heroes. I believe it was Carlyle who wrote of heroes and hero worship. Probably it is so that great ideas have been carried in the hearts of mankind by human example. Leifr Eiriksson is a symbolic hero as were John Kennedy, Winston Churchill and Pope John. They were all great human symbols.

Leifr Eiriksson has become part of the thought structure, the symbolism of the entire western culture. I believe that any great thought must be conveyed by some human life, even though the historic facts concerning that life may be uncertain and vague. I suppose, sir, on a day such as this all of us are thinking of that very special and precious human being who is a symbol to us and who is with us today. Her life has been a living symbol of service, from every call of duty she has never flinched, never wavered, like her brave father before her. I once saw her in uniform—a slip of a girl. It has been her glory to exemplify for her people honour and moral worth and we rejoice in her presence for our centennial celebrations.

• (5:20 p.m.)

I think it is interesting to remember that some of her ancestors, for several centuries, used the title "Dux Normannorum" or "Dux Normanniae". I am not clear when this practice was discontinued or whether in fact it is discontinued. It is interesting to note how these fierce Norsemen conquered successively France, Scotland and then England.

Leifr was the son of the great clan chief Eric the Red, who was referred to as the strong and noble leader of the Norsemen. These stout hearts, with their great muscles, blond hair and blue eyes voyaged to the Faeroes, the Orkneys, the Hebrides, the coast of Normandy, to Iceland, Greenland, and even to Canada itself.

My hon. friend from Selkirk (Mr. Stefanson) who had the ingenuity to bring this motion before the house had every right to bring it. Before rising to speak I received a note from my good friend from Red Deer who will follow me, also of Scandinavian origin, in which he urges me not to talk against this bill. It would be hard for me to do so. My grandfather, John Matheson, was born in the northern part of Skye. His mother was Flora Nicolson—pronounced Nick-olsen. They spoke Gaelic. I am told that all these northern highlanders could easily understand Norwegian when it was spoken slowly. They were Vikings just a few generations removed. The Vikings were the people who—and no archaeologist and historian today can be precise as to where this was—somewhere around 1,000 A.D. touched down in our land.

I have read various historical accounts of these people and the comments by Samuel Eliot Morison, the great professor of American history. He suggests that relics such as the Kensington rune stone and the Beardmore weapons, which have been the subject of much research by archaeologists, are clumsy forgeries. I believe on the evidence now available he is wrong.

Notable European scholars, and here I am thinking of Paul Herrmann who wrote "Conquest by Man", suggest that there is much evidence, from artifacts of all kinds, to show that there were definite Scandinavian inroads very early in our history. I am intrigued by the account of Paul Herrmann, how in August, 1898, a Scandinavian by the name of Olof Ohman, in Solem near Kensington in Minnesota, discovered, by knocking his axe against a tree, a rune. I know that this matter has been the subject of controversy, but many people who are more authoritative on the subject than even the eminent Professor Morison is, regard this rune as evidence that Norsemen appeared in this land at an early time.

The stone spoke of a journey of eight Swedes and 22 Norwegians from Vinland. May I read the text of the runic inscription:

> (We are) 8 Goths (Swedes) and 22 Norwegians on (an) exploration-journey from Vinland over the West (i.e. through the western regions) We had camp by 2 skerries (i.e. a lake wherein are two skerries) one day's-journey north from this stone

We were (out) and fished one day After we came home (we) found 10 (of our) men red with blood and dead. Ave Maria.
Save us from evil

On the other side of the stone were chipped these words:

(We) have 10 of our party by the sea to look after our ships (or ship) 14 day's-journey from this island. Year 1362.

It is interesting to compare this date with the date of the attack on Rhodes and the early migrations of the Crusaders to the far east. It is interesting that there were then valorous men in armour on this side of the water. There are some suggestions that Bjarni, son of Herjulf, touched down in Canada perhaps a few years earlier. Certainly, as the hon. member for Selkirk has indicated, Lief stands above others and is the man worthy of being characterized as the symbol of this fearless and intrepid people.

Leifr Eiriksson, the Norse discoverer of North America, was probably born in Iceland. He was the son of Eric the Red, spent his youth in Greenland and in 999 A.D. visited Norway where he was converted to Christianity. He was commissioned by King Olaf Tryggvason to carry the religion to Greenland. According to "Saga of Eric the Red" in the collection of sagas known as "Hauksbok" it was on the return voyage from Norway to Greenland in about A.D. 1000 that Leifr Eiriksson, blown off his course, discovered hitherto unknown lands in which he found grapes, self sown wheat and a species of tree called Mansur.

He landed, secured specimens of this vegetation and continued on to Greenland where he was successful in introducing Christianity. There are various versions of this story but it is clear that the Norsemen from a very early period passed through some parts of our country—perhaps through the southeast corner of the United States, probably through Newfoundland.

An hon. Member: I think that is quite right.

Mr. Matheson: Do I hear an interjection by an hon. member?

It is interesting to note that archaeologists suggest that Bjarni Herjulfsson, while in his twenties, undertook the great voyage of 985 A.D. in which he navigated from some spot in western Iceland to this country and probably landed at, or saw first the flat landscape of Hamilton inlet in Labrador. After two days they sighted land anew—high mountains and glaciers, as in Greenland. They had sighted the southern part of Baffin island.

The Heimskringla records that Bjarni reported the voyage to Eric the Red, the uncrowned king of Greenland and that Eric's oldest son, Leifr, bought the ship from Bjarni and obtained a crew of 35, and the consent of his father, Eric, for a new voyage of exploration. Unfortunately, Eric had a fall from his horse; as a result it was left to his great son to take on the responsibility of that voyage of discovery. Thus Leifr discovered Vinland—a land laden with vines and grapes.

We do not know where Vinland is. We do not really know at what point on the coast Leifr landed. It may have been Massachusetts, but also, possibly, it may have been Virginia, Florida, New England or Newfoundland. The winter frost was so light that the grass had scarcely withered. In any event, it is clear from the evidence of the artifacts that from early years the Norsemen touched down on our shores. I see my hon. friend nodding his head; I should add that from early days the brave Irish, too, may have explored these parts.

While on the subject of where Leifr Eiriksson landed it is interesting to note that in Mallorytown, Leeds, in my constituency, they have been working under water for about a year and a half on what is believed to have been a British gunboat of about the year 1812. It is a flat lapstreak vessel. Though all the experts suggest that the boat is a British gunboat about 150 years old, and it has been studied by our northern affairs people for many months, my private theory is that it is Leifr's boat. Of course I may be wrong.

• (5:30 p.m.)

The importance of this bill is that Canada is a country of rich ethnic variety. Her Majesty was reminded of this variety when she saw the talent on the hill this afternoon—Ukrainians, Chinese, French, Estonian, Italian, Indian, German; one could go on—yes, and Jewish. All this is evidence of the contributions which have been made by people of many races—Africans, Slavs, men and women of both oriental and caucasian descent.

Some writers theorize on this. Roy Matthews in an article which I would commend to hon. members entitled "Canada, The International Nation," says we must not get trapped in a bicultural and bilingual set-up which relegates others to third class status. Hon. members will appreciate that I am speaking today as a Norwegian.

Some hon. Members: Hear, hear.

Mr. Matheson: In this article, which appeared in that excellent periodical, the *Queen's Quarterly*, Mr. Matthews writes:

> The way to avoid such a prospect, in my view, is to ensure that the dilemma does not take on the form of a bilateral confrontation. Diversification is the secret; and this is the essence, again, of my plan for an "international nation." I would never imagine that Canada could escape from its unique situation vis-à-vis the United States; the relationship with our huge southern neighbour will always be paramount in our affairs and my scheme is shaped to recognize that fact implicitly. Likewise, I have no intention of suggesting that the special position afforded the English and French groups under Confederation should be weakened; I accept this factor as a valuable part of our Canadian heritage. What I seek to do is to weave these relationships into a wide and more satisfying design without in any way reducing their significance.

This respect for all has been eloquently expressed in a series of speeches by Her Majesty. She has sought always to encourage the best in us, not only in her realm of Canada but wherever in the world she is recognized as head.

In northern mythology there are three Norns or goddesses who are regarded as dispensers of fate. They are Urdur, the past—and perhaps we have been too preoccupied with Urdur in Canada—there is Verdandi, the present—and ours is a challenging present, and we would not change it for any other day—and there is Skuld, the future.

To the hon. member for Selkirk (Mr. Stefanson) and to all the strong people from northern lands who have enriched this country we say, God bless you, and may there be many more in Canada in the years ahead by natural increase and, I hope, by immigration.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, because I should like this bill to pass, my remarks will be brief. I think it is fitting and appropriate that at this time when we are thinking of the history of our land in a special way we should have speeches this afternoon about a particular aspect of our history, namely the occasion when the first European found himself on the shores of what is now our land.

I think it is fitting that we should take note of the background of our history, and it seems to me that what the hon. member for Selkirk (Mr. Stefanson) asks is little enough, namely that one day in our calendar should be known as Leifr Eiriksson Day. I should like to support this bill not only because of the link it suggests with the history of 900 or a thousand years, but also because in my view it is fitting for us to recognize the great contribution to the life of Canada which has been made by Canadians of Icelandic descent.

I come from a part of this country where we are particularly aware of this fact. Indeed, all over Canada there are Icelanders and people from Norway, Sweden, Denmark and Finland who have made a valuable contribution to the life of Canada. But in my part of Canada we are particularly conscious of what people of Icelandic origin have done in helping, along with people of other origins and with all of us who are here, to build this land into the one we are celebrating just now, as it becomes 100 years of age.

For these two reasons, because of the respect it shows for an important aspect of our history, and because of the recognition it gives to people of Icelandic descent in this country, I should like to see the house accept the bill proposed by the hon. member for Selkirk.

I am interested in the fact that the bill does not ask for a holiday in the sense that it would be another day on which people would be free from work. However a most interesting day has been chosen, namely the first Monday in August, which is already celebrated as a holiday in terms of freedom from work in many parts of the country, under the name "civic holiday".

I hope it will not sound like a commercial on my part if I point out that I myself have a bill on the order paper, Bill No. C-57, which seeks to amend the Canada Labour (Standards) Code to provide that the first Monday in the month of August shall be a holiday, along with the others listed in the Labour (Standards) Code. I did not attach any name to that suggested holiday when I put it in my bill. I have received a number of suggestions as to what it might be called; perhaps it could be given a number of names. Anyway, I see no reason at all why both these bills should not be passed. Let us have a holiday in terms of freedom from work on the first Monday in August every year, and I see no reason why that holiday should not be called Liefr Eiriksson Day.

I have pleasure in supporting the bill introduced by the hon. member for Selkirk.

Mr. R. N. Thompson (Red Deer): I rise to support this bill with a good deal of sentiment. As a descendant of some of the early pioneers in our land who came originally from Norway I have a strong family tie with the Nordic background of Liefr Eiriksson.

I would remind the hon. member who has just spoken, the hon. member for Winnipeg North Centre (Mr. Knowles), whose support for this bill I appreciate, that while Liefr Eiriksson was born in Iceland it was his father, Eric the Red, who first colonized that island in 970. Those Norwegian adventurers, seeking more productive lands, who discovered Iceland and settled it, went on further to Greenland and then further still to the eastern shores of Canada. Thus, Liefr Eiriksson not only has ties with Iceland, where he was born, but with the Nordic adventurers who came from Norway and who were the real discoverers of the new world of which Canada is today such an important part.

• (5:40 p.m.)

I think it is significant that this bill is being discussed today on the eve of Canada's centennial. I cannot think of anyone more worthy to sponsor it than the hon. member for Selkirk (Mr. Stefanson). On a day when we are considering the history of our nation relating to the 100 years just about to end, it is good that we should look further back into our past and identify the beginnings of our history.

I also appreciate the scholarly presentation which the hon. member for Leeds (Mr. Matheson) has made. I do not want to be repetitious but I think it would be good to add a little detail to his remarks so that we may have on record more detail of how Leifr Eiriksson came to be the first Canadian of Scandinavian stock to reach what is now Canada.

The story of the life of Leifr Eiriksson falls into three parts. First came his Atlantic trip from Greenland to Norway in 999 A.D. He had gone to Greenland with settlers from Iceland. His father, Eric the Red, was the key leader in that adventure. As I say, in the year 999 A.D. he returned to Norway where, as the hon. member for Leeds has already stated, he came to know the king of that country but, more important than that, he came into contact for the first time with Christianity and became a Christian.

The second phase of his life follows his discovery of what he called Vinland, North America, in the year 1003 A.D. Following this discovery he returned to the Norwegian colony in Greenland and spent his life in stewardship there from 1004 to 1065 A.D.

These Norsemen were the first Europeans to leave their coastline and venture into uncharted seas. As their homeland was not, and still is not a rich land, 70 per cent of it being covered by mountain, glacier and moor, they went abroad seeking new lands with which to enrich themselves.

It was on the island of Iceland that Leifr Eiriksson was born in the year 970 A.D. Some ten years later his father founded the Greenland colony. Neither Iceland nor Greenland were a very great improvement upon their native land of Norway, so they continued to seek adventure farther away. Considering this, it is not strange to find in the story of Leifr Eiriksson that when he was 20 years of age he went back to Norway and, as I have mentioned, went to the court of King Olaf and came into contact with Christianity. From there he returned to Iceland, and later landed on the eastern coast of Canada.

It was a really astonishing performance. Although it is true that the hulls of the boats of these early Vikings were masterpieces of naval architecture, they were open, and they could only sail before the wind. They depended on oars to face into the weather, and also for a great deal of their propulsion. No craft was more than 50 foot long.

Whereas Christopher Columbus crossed the southern Atlantic, the Vikings sailed the Arctic without benefit of compass. They steered by the stars and by the birds. Having discovered this land in the year 1003, in the following spring they returned to Greenland. One can imagine the rejoicing and the jubilation in that colony of a few hundred souls when Leifr Eiriksson returned. It is no wonder they christened him Leifr the Lucky.

Today general recognition is advancing of Leifr Eiriksson as the discoverer of Canada and the western world. His voyage to North America in the year 1003, and then later the colonizing expedition of his brother, who set up the first colony of 160 people, are things which are now becoming established as facts of history. No one has done more to establish those facts than Professor Helge Ingstad of Norway, who himself has done much of the archeological work in Newfoundland, which has turned up the evidence of that first colony through artifacts directly related to that early period in history.

Today there are many people who believe that Columbus' discovery nearly 500 years later was directly due to the voyages of Leifr Eiriksson. At all events the Norsemen's claim to the original landing seems to be accepted. So, Mr. Speaker, I believe that we should seriously consider accepting this bill today so that there might be one day in the year, such

as that suggested by the hon. member for Selkirk, that would give recognition to the first European to land in Canada.

Such an act would not only be fitting but would also be encouraging to our students of history and to all our young people, helping them to pay more attention to the great historic heritage of this country. Therefore I give my support to this bill. I agree with those who have already spoken on it, that it would be very fitting for the house at this time to give approval to it and thereby officially set a day in the calendar to be known as Leifr Eiriksson Day.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, I would like to see this bill passed and therefore will be very brief. We are known by our heroes and I think it is fitting that today, the last day in our experimental first 100 years, we officially recognize one of the great heroes of the western world, Leifr Eiriksson.

Canada has made a great contribution as a melting pot of nations to this top part of North America. We have no great errors to live down. This experiment which is now 100 years old has been a success, and I join with the hon. member for Leeds (Mr. Matheson) in hoping, nay in praying that we will not bog down in any bicultural or bilingual quarrel, but that we will use this great experiment of the last 100 years to move forward into the next 100 years and prove that the experiment is only beginning.

The town of St. Paul in northeastern Alberta, embracing the three great cultures prevalent in that area, is the most successful centennial town in Canada. I only hope that here we can add one more tribute to the many heroes we have had by following the lead of the hon. member who has proposed this bill.

There has been much talk about symbolism this afternoon. I think it is rather significant that the number of this bill is C-7, the number of stars in the great dipper which was such a great boon to navigators. If we pass this bill it will be a tribute to an individual hero, a man who did not take his lead from the mob, a man who stepped out on his own, who expected help from nobody, and made the whole world a better place in which to live. Therefore I join with others who have spoken in saying that this bill should be given second reading.

[Mr. Thompson.]

• (5:50 p.m.)

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, I greatly appreciate, as a French Canadian from Quebec, this opportunity to say a few words here tonight on Bill No. C-7, an act respecting the observance of Leifr Eiriksson day. Under this bill, the first Monday in the month of August would be known and observed as Leifr Eiriksson day throughout Canada.

Personally, I sincerely wish that this bill can be passed tonight, since Leifr Eiriksson is the man who, in all likelihood, according to old relations of the Scandinavian people, was the first to set foot on American soil.

Why observe Leifr Eiriksson day? What can Canada get out of it? I realize that there are in this house more descendants of that great people than I expected, of that ancient people that settled Iceland first from the Scandinavian countries, Sweden, Denmark and especially Norway.

The hon. member for Selkirk (Mr. Stefanson) who introduced the bill is a direct descendant, through his parents of Icelandic settlers. He might be also a descendant of Sigurd Stefanson who probably was a surveyor, a very able geographer at that time, taking into account the facts known to the men of those days because, unless I am mistaken, Sigurd Stefanson who probably was a surveypeans who prepared a chart of the North Atlantic on which appear the Scandinavian countries of Europe, and those countries Leifr Eiriksson called Helluland, Markland and Vinland.

Our Scandinavian compatriots, descendants of the ancient Vikings, are perfectly justified, as we all are, to be proud of their forebears. When it occurred to me that I might speak on this bill, memories of things I had read came back to me and, in the last few hours, I took the opportunity to refresh my memory a little on such epics, souvenirs of the gruelling voyages undertaken by these kings of the fiords, the heads of families and clans as were the Vikings, knowing that in those days every Norwegian family owned its own fiord and defended it with all the strength and the valour of its brawn and heart.

Descendants of the Scandinavian peoples are justified in their pride for their ancestors and we can understand that they are proud to promote this project of observing Leifr Eiriksson day.

Their ancestors, between the years 600 and 800, were fishermen as well as sailors and traders. They travelled on every sea in light boats called drakkars.

Those Vikings did not have the compass to guide them, but it seems that they were gifted with a special instinct to find their way and not get lost hopelessly on the wide seas of the globe.

According to the sagas—chronicles which, in French literature, would probably correspond to mediaeval verse-chronicles such as the Song of Roland, which some of us have heard about and others have probably read—Leifr Eiriksson was the first to set foot on Canadian soil, on the American continent.

However, it seems likely—and we have tangible proof, such as writings and artifacts discovered through archaeological research—that other Europeans had come to America before then, even before the Christian era.

We know that Liefr—

[*English*]

Mr. Thompson: Mr. Speaker, may I ask the hon. member for Rimouski (Mr. LeBlanc) a question. In view of the fact the hon. member is completely in favour of the bill, as well as—

Mr. Speaker: Order, please. The hon. member who has the floor does not appear to have relinquished the floor.

Mr. Thompson: Would it not be good to let it pass now?

[*Translation*]

Mr. LeBlanc (Rimouski): Mr. Speaker, if the hon. member would allow me to conclude.

Others had come before Leifr Eiriksson. We find that, a few years before his voyage to America one of his Norwegian fellow-citizens, by the name of Biarni, in the year 986, being lost in a storm and having passed south of Greenland, came to the coast of Newfoundland, went up along the shores of Labrador, reached the Land of Baffin, and finally rejoined his friends in Greenland.

It was following the accounts of Biarni, who had not set foot on American soil, that Leifr Eiriksson, because of his adventurous mind and his ambition to find wealth and establish a settlement or a new country, where he could be king, made the same journey as Biarni, but in the other direction.

This is a reason to be proud of the courage and gallantry of this man, who can serve as an example and an inspiration for all good Canadians, whatever their origin may be.

[*English*]

Some hon. Members: Question.

Mr. Speaker: Order, please. The hour provided for private members business has now expired.

INTERNAL ECONOMY COMMISSION

TABLING OF MINUTES RESPECTING HOUSE OF COMMONS STAFF

Mr. Speaker: By leave would hon. members give their consent that we revert to motions for the purpose of allowing the Speaker to table in English and in French an extract from the minutes of the meeting of the commissioners for internal economy, June 29, 1967, relating to salary revisions of the staff of the House of Commons. For the information of hon. members this extract will be published in today's *Votes and Proceedings*. Is this agreed?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. MacLean (Queens): Mr. Speaker, would the government house leader like to restate the business for Tuesday and Wednesday of next week. I understand that we will not be sitting on Monday.

Mr. MacEachen: Mr. Speaker, on Tuesday we plan to consider the estimates of the Department of Indian Affairs and Northern Development. If these estimates should pass on Tuesday we will then call the estimates of the Department of National Health and Welfare. In any event we will call those estimates on Wednesday. On Thursday it is proposed that we begin with the estimates of the Department of National Defence.

• (6:00 p.m.)

As hon. members are aware, we have various supply bills to consider on Thursday. At some point next week, following consultation, it is proposed that we call the third reading of the Interpretation Act, which is the only outstanding legislative item intended for this part of the session. This is not likely to cause or require any prolonged debate. That is the proposed program as of now.

Mr. MacLean (Queens): Do I understand that it is not intended that we deal with Vote No. 1 of the estimates of the Department of Transport? That item was allowed to stand.

Mr. MacEachen: We certainly do not propose to call it before we deal with the estimates of the departments I have mentioned.

If those estimates are passed earlier than 9.30 on Thursday we might call the estimates of the Department of Trade and Commerce. In any event, I think it is more or less understood that we will call the first item of the estimates of the Department of Trade and Commerce on Friday next.

Mr. Knowles: To complete the record, should the minister not point out that the Department of Transport estimates are to be called and passed before Thursday night.

Mr. MacEachen: Yes, Mr. Speaker, the estimates of the Department of Transport will be called and passed at some point before 9:30 on Thursday. We have already considered those estimates for two days in committee, and it may be that they can be passed without a great deal of debate.

Mr. Knowles: Do not forget the pensions of retired civil servants.

[*Translation*]

Mr. Speaker: It being six o'clock, this house stands adjourned until 2:30 p.m. next Tuesday, according to a special order passed last Monday, June 26.

[*English*]

At six o'clock the house adjourned, without question put.

[The following items were passed in Committee of Supply this day:]

DEPARTMENT OF TRADE AND COMMERCE

5, 10, 15, 20, 29, 32.

Dominion Bureau of Statistics

1.

HOUSE OF COMMONS

Tuesday, July 4, 1967

The house met at 2.30 p.m.

UNITED NATIONS

MIDDLE EAST—CANADIAN POSITION RESPECTING PENDING RESOLUTIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Secretary of State for External Affairs to place before the house the position of the Canadian government in respect of the several resolutions now before the United Nations general assembly. In particular I would ask him to clarify the position outlined in a speech by Ambassador Ignatieff on the Pakistan resolution calling for the nullification of Israel's annexation of the old city of Jerusalem. Is that interpretation the stand of the Canadian government? Is this a correct interpretation, although contrary to suggestions made by the Prime Minister, according to various representatives of the Jewish faith? Has the government decided to vote in favour of a resolution to nullify the action taken by Israel in asserting municipal government to cover the entire city?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, one of the difficulties in answering such a question on orders of the day is that it is not possible to go into all aspects of the situation. There are a number of resolutions before the general assembly at the present time. This particular resolution has not been dealt with and may not be voted on today, according to the most recent information. There are discussions presently taking place in connection with this resolution, and until these discussions have been completed I do not believe it would be responsible to go beyond what I have said.

However, with regard to another resolution, that standing in the name of the Latin American countries, there is a provision in the final operative paragraph that note should be taken of resolutions passed by the 1949 assembly of the United Nations calling for the establishment of an international régime in Jerusalem. This resolution reaffirms earlier recommendations for an international régime, but proposes that consideration of this question should not be taken until the next general assembly.

We had not voted for the 1949 resolutions but we were in favour of international supervision and protection of access to the holy places of the three great religions. I do not believe at this time I could go beyond that.

The resolution to which my hon. friend referred is in the name of Pakistan. It calls for an expression of opinion from the United Nations assembly asking the government of Israel not to proceed with the annexation of Jerusalem. It does not do so in exactly those terms, but that is the implication of the resolution. That resolution is now being discussed in private consultations.

If Canada were to take the position suggested by my right hon. friend it might be inconsistent with the position we took in our statement at the general assembly, when we said that there should be no precipitate action taken, no freezing of any negotiating positions, and that there should of course be, as Israel will provide, access to the holy places. But let there be no doubt about this; with regard to the Latin American resolution Canada will not agree to the withdrawal of Israeli forces unless it is related to the termination of belligerency, and also to the recognition of the basic issues involved. This was covered in the six points made by the Prime Minister when he spoke here six weeks ago.

Mr. Diefenbaker: Mr. Speaker, with great respect to the minister I would not consider that statement as much of a clarification. I will come back to the question. On the Pakistan resolution, of which the minister was kind enough to give the purport, is it a fact that Mr. Ignatieff indicated in the assembly that Canada would support that resolution? That is the first question. The second question is this. The hon. gentleman said I had suggested certain action by Canada. That is not so. I asked a question concerning what Canada's stand is going to be. I am trying as hard as I can to understand what it is. That is the reason I asked the simple question, how does Canada intend to vote on the Pakistan resolution?

Inquiries of the Ministry

Mr. Martin (Essex East): My right hon. friend should have no difficulty in understanding the Canadian position—

Mr. Diefenbaker: I do not know it.

Mr. Martin (Essex East): —because even though my right hon. friend does not like the response, it was stated to him in clear terms. I think everyone else in this house understood it. The resolution is before the assembly, and consultations are being carried on in respect of it. I have indicated that Canadian policy is as stated by me at the general assembly; that is, that there should be no precipitate action and that whatever action is taken in respect of the holy places in Jerusalem should be under the supervision of the United Nations organization.

My right hon. friend shakes his head. I hope that in putting this question he is really doing so for clarification, in an effort to help resolve this problem, and not—

Mr. Speaker: Order.

Mr. Martin (Essex East): —to give the impression that we entirely support the position of one of the parties involved in this situation.

Mr. Speaker: Order.

Mr. Diefenbaker: I cannot allow that to go.

Mr. Speaker: Order. There has been a question and a supplementary question by the right hon. Leader of the Opposition. Two answers have been given by the Secretary of State for External Affairs. I wonder whether perhaps we should allow a supplementary by one of the other members.

Mr. Diefenbaker: I cannot allow the statement to stand unchallenged. I rise on a question of privilege. The minister suggested that the question I asked was not for the purpose of obtaining information, and I must say that I certainly succeeded in getting none; that much is proven. I asked him a simple question. Surely there is not going to be a continuation of the evasion and obfuscation that has been displayed here this afternoon. How is Canada going to vote on the Pakistan resolution? If that has not been decided let the minister say so.

Mr. Speaker: Order, please. The right hon. Leader of the Opposition has asked the question now for the third time and we have heard two replies, which consumed about ten minutes. I suggest we should now allow a supplementary question by another member.

[Mr. Diefenbaker.]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether Canada has taken any steps to recommend the appointment of an international or United Nations commissioner for the city of Jerusalem or whether she has taken any initiative toward recommending a mediator between Israel and the Arab nations representing the United Nations or any other international body.

Mr. Martin (Essex East): Before the security council there is a resolution standing in the name of Canada, which has not yet been disposed of. It provides for the appointment of a representative of the Secretary General to try to bring about negotiation between the parties. There is likewise provision in the non-aligned resolution for a similar arrangement.

Mr. Thompson: I should like to go back to my supplementary question, asking whether Canada has taken any initiative toward recommending the establishment of a commissioner or mediator to act in respect of the conflicting parties in the Middle East crisis. He did not answer that question.

Mr. Martin (Essex East): Mr. Speaker, I thought I said clearly that in the resolution we have put before the security council there is provision for that very suggestion. The hon. member asks if we will agree to appointing a mediator, or if we have taken any initiative in this regard. To this I say yes; in the security council we have done so by a resolution standing in Canada's name and we will also try to do so by our votes in the general assembly if the assembly is called to recommend the appointment of a mediator.

CANADIAN CENTENNIAL

APPRECIATION OF PARLIAMENT HILL CEREMONIES ON JULY 1

On the orders of the day:

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, while I am on my feet I wonder whether I may be allowed to say how proud we were on Saturday when on our behalf you addressed Her Majesty the Queen.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): May I also be permitted to say that all of us in this house regardless of party affiliation were moved during the past four days by the stirring demonstration of Canadianism and pride in

our country on parliament hill and throughout the land. I think I am reflecting what most of us feel in saying that this demonstration of national fervour was so memorable that we should like to express our thanks to the Secretary of State and all associated with her in the magnificent organization which resulted in these unbelievably rich ceremonies and these outpourings of national fervour.

Some hon. Members: Hear, hear.

Hon. R. A. Bell (Carleton): Mr. Speaker, following what the Acting Prime Minister has said I wonder whether the house would be prepared to agree that the speeches of Her Majesty, Your Honour and His Honour the Speaker of the Senate be made a part of the record of *Hansard* for this day.

Some hon. Members: Hear, hear.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to say that I thoroughly support the statement of the Acting Prime Minister regarding your magnificent address the other day, and the tremendous organization and equally magnificent job that has been done in preparation for our centennial celebrations.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to join with the Secretary of State for External Affairs and other hon. members in expressing deep appreciation to all those who had anything to do with the arrangements for the past week end here on parliament hill and in Ottawa generally.

Some hon. Members: Hear, hear.

Mr. Knowles: I heard a good many private members say during the week end "Those who arranged these events deserve full marks", and I think this should be on the record of *Hansard*. May I also suggest that when the speeches that were made on parliament hill on Saturday morning are appended to *Hansard* there should also be included a copy of the printed program, so the record of that memorable occasion will be complete.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

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

Inquiries of the Ministry

EXTERNAL AFFAIRS

VIET NAM—CONSIDERATION OF PROPOSALS ADVANCED BY J. K. GALBRAITH

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs with regard to another area of the world. Is the government studying the proposals for de-escalating the war in Viet Nam which have been made by J. K. Galbraith, and is the government giving consideration to supporting these proposals as a means of bringing the war in Viet Nam to an end?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the government proposed on April 11 a course which it believes, if the parties would accept it, would provide for disengagement in the demilitarized zone. If that were done we feel, in all equity, that the bombing would also have to be stopped. We feel that these suggestions, which are based on the Geneva agreement, are not out of line with some of the proposals made by Mr. Galbraith.

Mr. Jack McIntosh (Swift Current-Maple Creek): A supplementary question, Mr. Speaker. I wonder whether the minister would also make sure that the infiltration from the north will stop at the same time.

Mr. Martin (Essex East): That is something beyond the control of the government of Canada, Mr. Speaker.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Secretary of State for External Affairs a question. In view of the fact that the United States apparently intends to very considerably increase the numbers of its forces in Viet Nam, will the government give consideration to a suggestion I made some weeks ago, and before we end this portion of the session on Friday put before the house a motion setting out the views of the overwhelming majority of Canadians on the subject of a cessation of bombing, with whatever restrictions should be placed thereon?

Would the government give consideration to this matter and facilitate the opportunity for the house to discuss such a resolution? Also, in order to assure the complete freedom of members, would the government remove the whips? I think if we took such a stand in the Canadian House of Commons the United States would know from its greatest friend —in spite of what I read about the N.D.P.

convention in Toronto to the contrary—the feelings of the house. I believe the voice of the House of Commons would be worth while and welcomed by the United States.

Mr. Martin (Essex East): In reply to the particular question asked by my right hon. friend, let me say I am sure he will realize that vital matters of foreign policy are not settled in the way my right hon. friend is suggesting. He should not be overly moved by any political convention that is being held anywhere in Canada in regard to matters that are as vital as this. In any event my right hon. friend will recall that there was a vote in this house on one aspect of this problem. I do not believe that his approach is the way to formulate or execute matters that have to do with war and peace. I say this as one who at this very moment is engaged, as a member of the government, in considering certain efforts which are being made to try to bring an end to the war in Viet Nam. I hope that would be the attitude of my right hon. friend, with his great experience in these matters and in government.

ROYAL VISIT

RELAXATION OF SECURITY PRECAUTIONS ON VISIT TO EXPO

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in this wonderful spirit of felicitation, joy and gratefulness I think something should be added to what has already been said. I am so pleased that yesterday the government decided, after weeks of vacillation in the matter, to free Her Majesty from being insulated and isolated from meeting her Canadian subjects in Montreal.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: When that action was taken yesterday the people of the province of Quebec revealed their loyalty, which would not have been possible had there not been an alteration in the program.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, may I deal with the matter my right hon. friend has introduced. I do not recall the right hon. gentleman's exact words but I would like to make it clear that in whatever arrangements were made for Her Majesty's visit to Expo yesterday the government was of course moved by considerations which must be in the mind of any Canadian government, and which I am sure would have been in the mind of my right hon. friend had he been sitting on this side as head of the government.

However, I do want to say, as one who was present yesterday as was the right hon. gentleman, that as a result of the suggestion made by the Prime Minister that the Queen should ride on the minirail yesterday afternoon she was exposed in the most loving way to the people of Canada who were at Expo yesterday. Let it not be misunderstood; this was a decision taken by the Prime Minister himself, and as a result of that decision the people of Canada who were at Expo were given and took advantage of the opportunity to display in a very heartening way their admiration for Her Majesty the Queen and also I believe for the crown itself.

AIR TRANSPORT

REQUEST FOR REPORT ON AIR TRAFFIC CONTROL

On the orders of the day:

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Minister of Transport. Would he tell the house whether he has received from Judge Robinson the second report on air traffic control which I believe was originally due in the month of May?

Hon. J. W. Pickersgill (Minister of Transport): I am sorry, sir, but I have not.

Mr. Allmand: I have a supplementary question, Mr. Speaker. Would the minister tell us when he expects to receive this report from Judge Robinson?

Mr. Pickersgill: I understand the judge has been ill and that is the reason the report has been delayed. I do hope very much it will not be too long delayed.

EXTERNAL AFFAIRS

ALGERIA—REQUEST FOR RELEASE OF MOISE TSHOMBE

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the Secretary of State for External Affairs. Will Canada use its good offices and friendly relations with the state of Algeria to request the release of Moise Tshombe, the former prime minister of the Congo?

Hon. Paul Martin (Secretary of State for External Affairs): May I take notice of that question, Mr. Speaker.

[*Later:*]

Mr. H. R. Ballard (Calgary South): Mr. Speaker, I should like to direct a question to the Acting Prime Minister, and ask him whether the Canadian government will consider making representations to the government of Algeria to prevent the removal of Moise Tshombe from Algeria to the Congo. I realize that this question has already been asked today, but no satisfactory answer was received from the minister.

Mr. Speaker: Order, please. The hon. member is assuming that a satisfactory answer will be obtained by asking the question a second time. I believe that is against the rules.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I do not know what the hon. gentleman's question was. I know you made some very generous remarks about the way it would be responded to, but I do not know what the question was.

CAPE BRETON DEVELOPMENT CORPORATION

INQUIRY AS TO DESIGNATION OF OFFICERS

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. I should like to ask him whether the government has finalized the designation of the board of directors, the vice president and chairman of the Cape Breton Development Corporation?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): No, sir.

Mr. MacInnis (Cape Breton South): I have a supplementary question, Mr. Speaker. Could the minister indicate when he expects this matter to be dealt with?

Mr. Pepin: In a few days, Mr. Speaker.

AGRICULTURE

INQUIRY AS TO ESTABLISHMENT OF TASK FORCE

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. It has to do with the appointment of the task force about which we have heard so much. I should like to ask him whether he could assure the house that before parliament adjourns for the summer recess he will make a statement indicating the personnel and the general terms of reference of that group.

Hon. J. J. Greene (Minister of Agriculture): Well, Mr. Speaker, the government looks upon this as an extremely important task force. We want to get the very best possible people for it. I do not believe any undertaking at this time, in the terms in which my hon. friend has referred to it, would be conducive to this end.

ONTARIO—REQUEST FOR AID TO FLOODED DISTRICTS

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): I should like to address a question to the Minister of Agriculture. In view of the widespread flooding and consequent great loss in central Ontario, has the minister received any communications from farm organizations requesting help?

Hon. Robert Winters (Minister of Trade and Commerce): No, sir, I have received none to my knowledge.

WATER RESOURCES

PEMBINA RIVER—INQUIRY AS TO COMMENCEMENT OF CONSTRUCTION PROJECT

On the orders of the day:

Mr. George Muir (Lisgar): I have a question for the Secretary of State for External Affairs which involves a matter of a more national nature than the questions he has answered so far. I apologize for not giving him notice. Can the minister tell us when the government, in co-operation with the government of the United States, expects to start construction of the Pembina river project in North Dakota and Manitoba?

Hon. Paul Martin (Secretary of State for External Affairs): I cannot give the answer to that question. I will take it as notice and reply before we leave on Friday.

VETERANS AFFAIRS

INQUIRY AS TO REPORT ON PENSION COMMISSION

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): I have a question for the Minister of Veterans Affairs, but in his absence I will

direct it to the person assuming his responsibilities. Has the report of the Wood commission been received by the government, and if so will its contents be made known to the house before the summer recess?

Hon. Léo Cadieux (Associate Minister of National Defence): I will take this question as notice.

[*Later:*]

Mr. Cadieux (Terrebonne): Mr. Speaker, may I now answer the question posed by the hon. member for Okanagan Boundary. I am advised that the committee has not yet submitted its report to the minister; consequently it is not anticipated that the report will be available for tabling prior to the 7th.

Mr. McIntosh: On a question of privilege, Mr. Speaker, my riding is Swift Current-Maple Creek.

HEALTH AND WELFARE

WIARTON, ONTARIO—GRANT FOR HOSPITAL CONSTRUCTION

On the orders of the day:

Mr. John Loney (Bruce): My question arises from two communications I received from the Minister of National Health and Welfare on June 28 and June 29. The letter dated June 28, 1967 reads in part as follows:

> As announced in the press today I have approved a grant, under the terms of the hospital construction grant rules, in the amount of $79,052, towards the cost of new construction and renovations at the Bruce Peninsula and District Memorial Hospital, Wiarton, Ontario.

While I welcome the intent of this communication, I do not believe the facts are—

Mr. Speaker: Order. Please ask the question.

Mr. Loney: On a question of privilege, I feel the letter is misleading and erroneous. The actual facts are—

Mr. Speaker: Order. I just mentioned to the hon. member that he should ask a question. If he wants to raise a question of privilege that is another matter. We will hear the question of privilege.

Mr. Loney: The question of privilege, Mr. Speaker, is—

Mr. Speaker: Order, please. If the hon. member has a question of privilege which does not arise out of the immediate proceedings in the house, the hon. member has to give the Chair two hours notice in writing. I realize this is the last week before the summer adjournment and I do not believe we should be too strict in the observance of this rule. Perhaps we might allow the hon. member to ask a question without further reference to his question of privilege.

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

[*Translation*]

COMMONWEALTH RELATIONS

DISCUSSIONS WITH HER MAJESTY RESPECTING POSSIBLE CONFERENCE

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, as this is the last week of the session, I should like to ask you to be lenient enough to recognize the validity of my question. I should like to ask the Secretary of State for External Affairs whether Queen Elizabeth and government authorities conferred with a view to convening in the near future a conference of the prime ministers of the countries of the Commonwealth?

Hon. Paul Martin (Secretary of State for External Affairs): I believe this question concerns the prime ministers of the Commonwealth countries and not the head of one government of the Commonwealth and the Queen.

[*Later:*]

Mr. Choquette: Mr. Speaker, appealing to your indulgence once again, since this is the first sitting of the second century of confederation, I should like to take this opportunity to ask the Secretary of State for External Affairs, on the occasion of the second centennial of Canada, if discussions should not be launched with all Commonwealth countries in order to establish a Commonwealth citizenship?

Mr. Speaker: In spite of all the leniency I am prepared to show the hon. member who quite deserves it, I do not think his question is in order.

[*English*]

HISTORIC SITES AND MONUMENTS

MARKERS TO COMMEMORATE FATHERS OF CONFEDERATION

On the orders of the day:

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, on June 23, the hon. member for

Essex West (Mr. Gray) asked the following question of the Prime Minister:

Will the government undertake as an immediate federal government centennial project the placing of appropriate markers at either the birth places or the grave sites of all the fathers of our confederation?

When I announced the policy on March 15 I said each grave would be marked by a distinctive plaque to be designed for this specific purpose, and financial assistance will be provided for the maintenance in perpetuity of the last resting place of these truly outstanding Canadians.

Mr. H. E. Gray (Essex West): May I ask a supplementary question. First I should like to thank the minister for his very constructive answer. I should like to ask him whether it would be possible to complete this program by the end of our centennial year as a national centennial project.

Mr. Laing: In reply I would remind the hon. member that we are short of workmen in this particular field at the present time. The demands this year have weighed very heavily upon the department and we are running behind. However, we will make an attempt to finish the project during 1967.

Mr. B. S. Mackasey (Verdun): In view of the shortage of workers, will the minister consider giving priority to the grave of Thomas D'Arcy McGee, the most eloquent of the fathers of confederation?

LABOUR CONDITIONS

KEEWATIN, ONT.—ALTERNATIVE EMPLOYMENT FOR WORKERS DISPLACED BY FIRE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wanted to ask this question of the Minister of Manpower and Immigration. He was here a minute ago but I do not see him at the moment, so perhaps I could direct it either to his parliamentary secretary or to the Acting Prime Minister. In view of representations that have reached me from the workers at the Lake of the Woods milling plant in Keewatin which was destroyed by fire over the week end, a plant that comes under federal labour jurisdiction, will efforts be made to find alternative employment for people in this town where there is no other work?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): I do believe such efforts are being made, but I will bring this question to the minister's attention for his reply.

EXTERNAL AFFAIRS

MIDDLE EAST—REQUEST THAT SOVIET UNION JOIN IN AIDING ARAB REFUGEES

On the orders of the day:

Mr. Ed. Schreyer (Springfield): I have a question for the Secretary of State for External Affairs which has to do with the extra effort many countries are making to deal with the problem of the refugees in the Middle East. I should like to ask the minister if during his talks with officials of the Soviet union at the United Nations he was able to elicit any response as to whether the Soviet union would participate in any way in the program to aid refugees in the Middle East.

Hon. Paul Martin (Secretary of State for External Affairs): I did not have any talks formally on that subject with Mr. Kosygin when I saw him, or with any other member of the Soviet delegation. We were concerned at that time with the particular resolutions facing the general assembly. I hope the Soviet union will take notice of the suggestion Canada has made for the use of the Palestine conciliation commission, on which two of the great powers are represented. This commission has concerned itself over a considerable period with the question of refugees.

BUSINESS OF THE HOUSE

CHANGE IN SITTING HOURS FOR WEDNESDAY, JULY 5

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I have a question for the Secretary of State for External Affairs in his capacity as Acting Prime Minister. In view of the fact that tomorrow afternoon will be the last opportunity for the public and for the members of the house to see Her Majesty the Queen of Canada, I wonder if the minister would consider postponing the opening of tomorrow's session until 3 o'clock instead of the usual 2.30.

Hon. Paul Martin (Acting Prime Minister): I think the house leader will have something to say on this subject, either now or later this day.

Hon. A. J. MacEachen (Minister of National Health and Welfare): I understand hon. members may wish to attend the ceremonies on parliament hill and possibly later at the arts

centre when Her Majesty will be present. I have been discussing the possibility of sitting tomorrow morning and possibly disposing of the business for tomorrow by two o'clock or 2.30 so that anyone who wishes may be free later in the day to attend these ceremonies. I will discuss this matter in further detail with the various party leaders.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, that appears to be a reasonable suggestion. I am just wondering whether the minister would put the question to the house for agreement that we sit at eleven o'clock tomorrow morning. That would enable the business to be reasonably completed with no loss of a day; it would also provide an opportunity for members to see the Queen on the last occasion she will be here on this visit.

Mr. MacEachen: Mr. Speaker, perhaps we could finalize the matter now and decide to meet at 11 tomorrow morning, sitting continuously until 2 p.m.

Mr. Speaker: Is that so ordered by the house?

Some hon. Members: Agreed.

Mr. Speaker: It is agreed.

[*Later:*]

Mr. Speaker: I wonder whether the house would want to clarify the matter of the hours of sitting tomorrow by including in the order of the house the provision that private member's hour for tomorrow be suspended.

Mr. Knowles: Mr. Speaker, if we are going to sit for only three hours tomorrow I think we should suspend private members' hour.

Mr. MacEachen: Mr. Speaker, that is quite agreeable to this side of the house. If it is generally agreeable we could decide now to suspend private members' hour tomorrow and complete the day on estimates.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

INDUSTRY

KEEWATIN, ONT.—INQUIRY AS TO ASSISTANCE FOLLOWING FIRE

On the orders of the day:

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question is for the Minister of Industry and relates to a telegram that he received this morning from the mayor of the town of Keewatin. I was wondering whether the minister could indicate what federal assistance is available to the residents of that town as a result of the fire that destroyed the Lake of the Woods milling company building yesterday morning.

Mr. Speaker: Order. I have the impression that this question also is a repetition of one asked earlier today.

Mr. Knowles: Mr. Speaker, with great respect may I suggest that the question asked by the hon. member for Kenora-Rainy River is not a repetition of my question. I asked about alternative employment; he has asked about financial assistance. I hope Your Honour will allow the question.

Mr. Reid: I asked what the federal government could do to assist in cases of this nature, which is quite different.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the telegrams have been received by the ministers mentioned. The government is now giving consideration to this very unfortunate circumstance to see what might be done. However, I think the house is well aware that in disasters of this sort the primary responsibility for rendering assistance rests with the province. In normal cases it is only when the province has requested assistance that the federal government takes action.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

1. Departmental administration, $2,209,800.

The Chairman: Order. House again in committee of supply. Estimates of the Department of Indian Affairs and Northern Development for the fiscal year ending March 31, 1968, vote No. 1. This vote will be found at page 200 of the blue book; the details are listed at page 203.

Mr. Lambert: Mr. Chairman, the other day when we had a brief discussion on the first item of the minister's estimates I did not have the opportunity, because time ran out, to make a few remarks on the full report of the committee, limiting myself to that part of the report that deals with the western parks. The

minister knows well from the past my interest in this particular matter. I must say that I think the committee members from the government side in particular received their first exposure to the parks on their trip there last December, some of them never having seen them before. I think that this fact is shown up in the type of report that has been prepared and presented. Government members were distinctly under the whip in the matter of following a hard government line on the national parks.

• (3:20 p.m.)

I do not think there was any great difference in point of view among members of the committee as to the ultimate purpose of the parks, although there may have been some difference of opinion as to how that purpose would be best achieved. Very definitely, though, we on this side of the house, who have the greatest contact with the parks, did express a fundamental difference of opinion with regard to certain existing factors. The minister can say what he likes about the relationship between the officials of his department and the citizens of the townsites of Jasper and Banff in particular. He can say that the relationship is good, but this is not the case. What has happened is the result of the department taking a hard and uncompromising line with regard to both commercial and residential leases, and there has been a lamentable breakdown in the relationship between the administration and the citizens.

There is one thing the higher officials of the parks branch must remember. They cannot, by a stroke of an administrative pen, eliminate those townsites. They are historical facts. They do exist. Moreover, their existence creates special problems which do not arise in any of the parks outside the province of Alberta. When the decision was taken years ago to route the trans-Canada highway through Banff national park, certain inevitable consequences were entailed. There is no question that hundreds of thousands of tourists who visit the parks or pass through them on their way west expect to stay in the parks. I do not suppose anyone quarrels with that. How are these people to be treated?

I am the last to say that Banff or Jasper should be turned into a Coney Island type of development. On the other hand, there is a change in the needs and desires of the travelling public. They are no longer prepared to accept substandard accommodation. They will not be directed to the nth degree with regard to what they should or should not do while on holiday. We have invited these people. Look at the advertisements put out by the government travel bureau. We have spent scores of thousands of dollars inviting tourists to come to our national parks. What are they to do when they arrive? Take only a flying trip? Not at all. They must be catered to if our tourist program is to be meaningful.

Pressure on the available facilities during the last few years has been scandalous during the peak season. Within a short time there will be a further increase in visitors to Jasper upon the completion of the Yellowhead route. I venture to say that by the fall of 1968 or perhaps by mid-1969 this essential link will have been established west of Jasper, bringing on a veritable flood of travellers. The only thing that will discourage them and give the parks a black eye will be lack of accommodation.

We know there has been hesitation, procrastination and uncertainty with regard to the development of accommodation in Jasper in anticipation of these visitors. It is no use saying that in 1969 or 1970, when we see the tourists coming through, we will build the essential facilities for them. Yet the present policy with regard to commercial leases discourages any meaningful development within the appropriate zoning of Jasper.

I wish to be clearly understood that I support the idea of zoning within the parks of Banff and Jasper. There should be service sections within the towns and then, because there is a complete monopoly by the national parks authorities of the mountain sites accessible by roads to the people of Alberta, there should also be amusement areas—skiing areas —in both places so as to use the facilities available to the full in winter.

We know that the present limited facilities are hard pressed even in winter. People who wish to ski at Jasper and Banff find it hard to obtain accommodation. Whenever I go out to Edmonton in winter I hear continual complaints from friends and acquaintances who love to ski that they find it difficult to get accommodation. Those who are more fortunate and more insistent go south to the state of Montana. This, I think, is the epitomy of idiocy, to insist that Canadians from Edmonton and Calgary should travel to the United States to enjoy week end skiing simply because they cannot get accommodation at Jasper and Banff. We have the facilities if we could only decide how to use them.

It is all very well for people to say there are no provincial parks in the mountains. One has only to look at the mountains from the

area north of Jasper down to the United States border to see how little is accessible in relationship to roads and accommodation outside the boundaries of the parks. Scores of millions of dollars have been spent building the roads and a great deal of money has been invested in facilities. How foolish it is, then, to say that these assets should not be used in wintertime. If people want to engage in winter sports they must find another area.

• (3:30 p.m.)

As yet the province of Alberta has dedicated more than enough land to be given over to national parks use. Its proportion is multifold that of all the rest of Canada, and in that you must take into account what is taken by the crown of Canada for various facilities, One is not going to say, "You are not going to have your winter sports at Elk Island," and I am going to speak about that park later, or "You are going to have your winter sports at Wood Buffalo national park."

Mr. Laing: You could.

Mr. Lambert: The minister, who has air travel facilities at his beck and call, can go up there if he wants, but it is hundreds of miles from populated centres and its limited facilities would be available only to people who have a lot of money. Young people, students and so forth, have as much right to enjoy skiing as anybody else. Therefore I believe an adequate zoning system should be established in the parks at the earliest possible date. There is no use appointing another commission or committee which will bring in another report two years hence. The time to do it is now.

With regard to our national parks there have been recommendations upon recommendations upon recommendations, but the end result has been the same. There has been some limited improvement. However, the demand made upon Banff, for example, far exceeds the facilities that have been provided.

Policy decisions have been arbitrary. Under the planning and zoning restrictions at Banff certain proposals have been turned down out of hand; yet changes have been authorized that were contrary to the zoning regulations. These will form the subject of an interesting study one of these days.

I now turn to the question of leases. I find the minister's attitude with regard to the controversial perpetual leases absolutely incomprehensible. His officials have advised him, and I am not questioning their motives, that there was never authority for the granting of perpetual leases both prior and subsequent to 1932. The minister first asserted that there was a question about ministerial authority to grant perpetual leases after 1932. That is a debatable legal point. Now he says that there was no authority to do so prior to 1932.

The minister, who is trustee for the crown for the interests of Canadians, not a trustee on behalf of himself or any particular administration, refuses to disclose the memorandum of advice or the reasons for calling into question the jurisdiction to issue such leases. In refusing I think he has taken an entirely wrong position. He has told us, "If the holders of perpetual leases are not satisfied with their position they can go to court." His attitude is similar to that of one late crowned head who once said, "If they can't have bread, let them eat cake."

In fairness to his responsibility to his officials and to the scores, likely hundreds, of holders of perpetual leases, the minister should refer the question of the validity of the leases to the courts. He should not ask a young teacher and his wife in Banff, or some person with limited means, to challenge the government in the courts. Who would pay the costs in such an instance? No doubt there would be solicitor and client costs which would be the responsibility of the individual. It would be very simple for the minister to have a stated case referred to the Exchequer Court or the Supreme Court, most likely the Exchequer Court in the first instance, with permission for intervention on behalf of the holders of perpetual leases. I believe he should take this course immediately instead of trying to wear down and chisel away the individual lease holders who are finding themselves being cornered more and more, without any possible alternative.

In some of the cases about which I have heard, almost administrative blackmail is being utilized to pressure the holders of leases to agree to exchange their leases for limited term leases, and not all of the same term. This is quite unacceptable. This not litigation between two individuals. This is an honest difference of opinion between the law officers of the crown and hundreds of citizens who have as much entitlement to their rights as do any of us in this chamber or in the administration to ours.

In the past there was never any question that they were acquiring defeasible leases of uncertain title. I urge upon the minister that in all justice the crown should settle this matter by causing a stated case to be referred

to the superior courts. It is not fair for the minister to tell leaseholders when they seek to renew their leases on the terms contained in them, terms authorized by the minister's predecessors, that unless they agree to new conditions not negotiated but imposed by the minister and his officials they will be deemed to be overholding tenants subject to all the consequences that befall overholding tenants.

• (3:40 p.m.)

In so far as commercial leases are concerned I should like to draw to the attention of the minister an editorial which appeared in the Edmonton *Journal* of May 23. I am sure his officials know about it, if he does not. It reads:

> This newspaper has said repeatedly that Mr. Arthur Laing's national parks policy is not a valid policy so far as it governs commercial leases. Here's a case in point:
>
> An Edmonton group planned a 77-unit motel at Jasper, assembled $450,000 in cash, arranged $550,000 in mortage funds, obtained the parks department's approval of a site in Jasper town—then cancelled its plans. The reason given: no compensation when the lease expires. The money is still available; so is the building site. But until there is compensation for cancelled commercial leases, say the investors, they won't go into Jasper.

It is conceded that this might be a pressure play, a mandate to call on investment for badly needed accommodation if the terms are right. But is that a valid argument for cancelling the whole thing? Is it not a little more in the interest of the general public to have a parks policy which at one and the same time protects the park from undesirable commercial development—no one denies that the minister has all sorts of restrictions on that score—and encourages desirable development? One of the most desirable, indeed the most urgent, developments required now at Jasper is more decent accommodation. The newspaper editorial continues:

> One long time Jasper hotel operator says he could fill another 1,000 rooms all summer; but no major hotel or motel has been built in Jasper since Mr. Laing's no-compensation policy was announced. Of four groups officially announced as having plans to build in Jasper, we are informed, all four have changed their minds.
>
> We don't favour so-called "perpetual leases" and doubt that responsible investors do. Leases should be cancelled when operators fail on performance standards. Leases should have to be renewed regularly. Some leases should be cancelled when the public interest requires a different use of a site. But in such cases, and varying with the cause of cancellation, there ought to be reasonable compensation—by arbitration, if necessary.

I could go into detail with regard to the yeas and nays of the leasehold policy, an abridged version of which I have. After all, who on earth would want to invest hundreds of thousands of dollars and perhaps over a million dollars over a period of years in a commercial proposition when at the end of that term the title is gone and everything—buildings, maintenance and some modernization over a 21-year period—is yielded up to the crown? Who on earth is going to invest even one thin dime during the last five-year period, or perhaps during a period of eight or ten years, in a commercial leasehold property, if at the end of the road there is to be one big fat zero in compensation?

Even now we see the iniquities of the policies of the present minister. Because of the increased demand a store proprietor must modernize and expand his premises. He holds a perpetual lease and has had it for a long time. But because he wants to make improvements he is told that if he is to get his permit he must yield his perpetual lease and take a limited term lease on which at the end there will be no compensation. Is there no justice between the crown and the individual? What is his alternative? Is it to let his premises run down to rack and ruin so that he loses his capital? Perhaps his life's work is tied up in the good will and continuity of that business. Yet because of administrative reasons, because somebody wants to get hold of something and squeeze it hard, then, unless it is to be contained within a nice neat framework of rules and regulations administered from far away, that man's effort is to be sacrificed. I cite that as an example of many cases and of the general principle.

It is indeed unfortunate that the government majority on the committee had limited exposure to the problem. True, they saw and heard a number of people, some of whom were very dramatic. I hope some of them were ashamed of some of the administrative boondoggling that has gone on with regard to the treatment of these people. I am not limiting that in time either.

Mr. Laing: What is boondoggling?

Mr. Lambert: The minister can look it up.

Mr. Laing: I do not think you looked it up.

Mr. Lambert: In any event these people have been mishandled. I realize that efforts are being made to bring about improvements, and this is all to the good, but for the life of me I cannot see why these people who have certain rights should be denied them. If it is decided that there shall be no more perpetual leases granted, then this is fine in respect of

new leases or for the development of further practices. But there are such things as acquired rights. If we were to tell the minister that because of a change in administrative policy his home in Vancouver would be subject to different terms, in respect of his title and right of ownership, than those under which he holds his property now, then I say the hullabaloo would be heard from one end of the country to the other.

The Chairman: Order. I must advise the hon. member that the time allotted to him has expired.

• (3:50 p.m.)

Mr. Lambert: Mr. Chairman, may I ask for the indulgence of the committee to allow me one more minute to conclude my remarks? I think I have said enough on this last point.

The Chairman: Does the committee give its consent to allow the hon. member to continue?

Some hon. Members: Agreed.

Mr. Lambert: I apologize to hon. members for requiring this extra time, but there is one further point I should like to draw to the minister's attention. With the development of the Yellowhead Pass route there will be a considerable acceleration of travel through our national parks, not only Jasper national park but Elk Island park. I know that my colleague, the hon. member for Vegreville, would like to speak about this matter if he were here.

Highway 16 east in Alberta bisects Elk Island park which over the years has unfortunately been one of the Cinderellas of our parks system. This park has great potential and although this highway has never been qualified as a second trans-Canada route, as suggested by members from the western provinces, it is being developed. This highway will give greater access to the national parks which lie along it including Jasper, Elk Island, and even Prince Albert national park which is some distance north. Anyone travelling this route could easily turn up toward Prince Albert national park. It would also give access to Riding Mountain national park in Manitoba. These parks are all either along the highway or within reasonable access.

My suggestion is that an immediate study be make, if it has not been already made, of methods to upgrade public reception facilities. I am not suggesting that we should allow the establishment of residential townsites in these parks such as Elk Island, but public reception services must be upgraded. I am sure this would pay dividends in the form of increased patronage and enjoyment by the public. My suggestion is that we begin a study immediately and within the next two or three years make the improvements. We should not wait for ten years to do so because a lot of traffic will be channeled through these areas and Canadians will then find that their national parks are truly accessible. In order to enjoy these parks one should not have to be a dedicated wildlife conservationist such as some of those we heard from in Banff and Jasper. Their philosophy seemed to be that we should build a ten-foot fence around our parks, lock the gates and throw away the keys. They felt it would be abusive to allow any but simple activities such as bird watching, nature study or peaceful hiking.

Mr. Laing: The attendance at our parks has been increasing by 15 per cent compounded per year for years.

Mr. Lambert: I do not feel that the one extreme should be the standard, nor do I feel that we should have the so-called Coney Island level of development. That would not be desirable nor acceptable.

Mr. Orange: Mr. Chairman, I should like to make a few remarks at this stage of our deliberations in respect of the educational program in Canada's north. In the last decade we have observed a fairly impressive increase in the number of young people attending school in the north. We know that 13 or 14 years ago approximately 30 per cent of our young northern Indians, Eskimos and Métis were attending school along with whites. In 1954 and 1955 the federal government recognized its responsibility in respect of the development of educational facilities throughout Canada's north and we have observed the construction of schools in virtually all communities there. As a result approximately 90 to 95 per cent of the young people of school age are attending school. Administrations of the past deserve a great deal of credit for what has taken place in this regard. I think we have now reached the stage when our aims and objectives in respect of education in the north must be redefined.

Having attended the graduation exercises at two of our northern schools in recent weeks I could not help but be impressed by the dedication of these young students. The system developed over the past few years has been directed not only to book learning as part of education but to a broadening of the

horizons of our young northerners. At the secondary level of the northern educational system we have observed the young students being given an opportunity not only to move from their local areas to attend other schools but to travel and visit other parts of the country. In this regard I should like to acknowledge the centennial commission's great program for youth exchanges across Canada whereby young Canadians are being given the opportunity of travelling and visiting their Canadian brothers, cousins and friends right from the east coast to the west coast and up to the Arctic ocean. In the gallery at this moment there are 24 young people who are centennial youth travellers. They are spending two weeks in the southern part of Canada and, like other young Canadians, they are visiting Expo and the House of Commons and are spending the balance of the two weeks in the Toronto area.

Some hon. Members: Hear, hear.

Mr. Orange: Before concluding my remarks regarding education I should like to draw the minister's attention, as I have many times in the past and will continue to do until we get some results, to the fact that those of us who wish to see development in the north recognize that industries based on resources, particularly mining and oil development, are the ones which have a future there. I hope that in the process of developing and adequate educational system the officials of this department together with the territorial government will take into consideration the establishment of a school of mines in the north.

One of the great difficulties we experience in the mining industry in northern Canada is the lack of a stable and adequate labour force. It seems to me if we are serious about populating this area we must use the talents and resources of our young people by encouraging them to participate in developing what will be the basic economy of northern Canada. I hope the minister and the territorial government will re-examine this question and will take the opportunity of working out with industry what is needed to carry out this development. A school of mining for northern Canada would not only assist the industries of the Yukon and the Northwest Territories but would also provide a labour force for other parts of Canada, particularly in the west. I recommend this suggestion to the minister and I hope that when he has a chance to reply he will indicate at least his concern about this particularly important matter.

• (4:00 p.m.)

Mr. Schreyer: Mr. Chairman, I listened with interest to the comments of the hon. member for Edmonton West on the government's policy with respect to national parks. Much of what the hon. member said seemed to make sense, although in certain respects I could not help feeling in rather basic disagreement with him. I believe many members will appreciate the difficulties the minister faces in trying to administer our national parks policy in a way that (a) meets the interests of the public and (b) appears to do justice to those who over the years have held leasehold rights in our national parks.

I do not wish to aggravate the problem the minister has in this regard by advancing proposals that might appear to be, at least in the short run, popular. But it seems to me that the minister has a prime duty and obligation to see that the recreational resources of this country are developed and made available to growing numbers of people, and that no one group or clique should be able to avail itself of these resources at the expense of the general public. Of course, it is very easy to state such general requirements, but it becomes much more difficult to try to spell them out in detail and apply such a policy.

The form of leasehold which people in the national parks should be allowed to enjoy is a matter with which I am not prepared to deal at the present time. However, it occurs to me that one suggestion made by the hon. member for Edmonton West has merit, namely, that there should be no fear on the part of the government in allowing some of the cases referred to to go through the process of adjudication by the courts in order to arrive at a determination by an impartial body as to what is the right thing to do.

My personal view is that over the years numbers of people have enjoyed leasehold rights in our national parks and have had to pay annual fees, rentals, or whatever you want to call them, in an amount so small as to make it very difficult for others to understand how the government can allow this situation to continue. Therefore renegotiation is certainly required. If it should turn out that the only feasible course of action is to terminate these perpetual leases, it seems to me that the way to proceed is much the same as that in which the government now proceeds in respect of the expropriation of properties held by persons in full title or fee simple. If the parties who have held these leases can prove they have suffered concrete and substantial financial loss, methods of compensation

should be worked out. If the government can proceed to expropriate property held by people in full title, why is it impossible to proceed to terminate perpetual leases in a somewhat similar manner and pay compensation for actual financial loss? Also, why can the government not proceed from there to make sure that no similar, imprudent contracts or understandings are ever again entered into?

It is my understanding that in the course of the past 18 months, or perhaps longer, the federal government has decided it would like to proceed with the establishment of second national parks in those provinces where only one national park exists at the present time. I do not know how old this policy is but I understand that the government has not got very far with the policy of establishing a second national park in several provinces.

I know that the province of Manitoba surveys and studies were undertaken by the appropriate department in consultation with the provincial authorities, to see just where in the province a second national park should be established. I understand that the present situation is one of stalemate or deadlock. This situation exists simply because the policy of the federal government is that if it is to establish a second national park the province must convey the land, without encumbrance and without condition, to the crown in the right of Canada.

On the surface there is nothing to which one can object in that policy. Certainly such land should be conveyed without encumbrance and, one would have to agree, without major condition. But I understand that one of the reasons the province of Manitoba is hesitant to transfer the land from the crown in right of the province to Canada is that the provincial authorities have reason to believe that one area, regarding which there was a tentative agreement, may very well contain mineral deposits, and they would like to enter a caveat on the conveyance of the land to the effect that some mineral prospecting and possibly exploitation will be allowed. I know that in respect of some national parks and provincial parks in other parts of Canada intergovernmental or interdepartmental ill will has been built up because parkland has been used for purposes of mineral exploitation, with deleterious effects on the area as a resource facility.

I hope the federal government will finally show some flexibility in this respect and will choose the area that was tentatively agreed upon as being suitable for a second national park. I hope the federal government will not abandon that area and proceed to establish a second national park at the opposite end of the province. We already have a national park in northwestern Manitoba and the establishment of a second national park in that general area, which seems to be the only other possible location, would not be very logical.

I should like to refer at this time to the estimates relating to the Indian affairs branch of the department. I realize that in this regard the minister also has a very difficult portfolio to manage. Many people think that in the last two or three years advances have been made and progress is becoming more and more visible. I tend to share that opinion. On the other hand, we need not look very hard for evidence of the fact that many people consider that the Indian affairs branch has not done very much to bring about progress and improvement in the affairs of the people of Indian ancestry. Certainly in many respects there is cause for disappointment but, as I said, there are other visible signs that progress and improvement are taking place.

• (4:10 p.m.)

I should like to express my own very firm personal view that the department is fortunate in having people who are doing good work in the field. This is not to be taken to imply that those at headquarters are not doing likewise, but my limited experience with the officials of the department in the field indicates that in working with the Indian people they are getting things done and are giving them examples of leadership and all sorts of opportunities to participate in programs of self-improvement.

I can recall visiting three classrooms at a northern Indian reserve in Manitoba about eight years ago and coming away somewhat nonplussed and puzzled by the degree of passivity among the children in the lower grades. I clearly recall thinking that there did not seem to be much prospect of these children becoming enthused about learning and it appeared that in a matter of a few years they would drop out of school. However, just three weeks ago I again visited a number of classrooms on some of these reserves in Manitoba and was literally amazed to see the extent to which the teachers of today have succeeded in instilling in the very young pupils an enthusiasm and an alertness which we would hope to find in schools everywhere. That in itself is cause for optimism because without

doubt we must still rely on education most in helping the Indian people to achieve a better standard of living.

It is not so surprising to see progress being made by the department because it has had more money to work with in recent years. It is all very well to have all sorts of programs on paper with fine ringing phrases as to what will be done, but unless the department or agency has the funds with which to give effect to all these plans on paper the whole thing is a fraud. In recent years we have been voting more money and I can say without equivocation that I feel very sure the Indian people are making very definite and decided progress, as is the department.

Some of the provinces have indicated a growing desire to participate more in the programming with respect to Indian affairs. I realize that a constitutional problem is involved and I intend to offer no further comment at the present time. However, if the provinces are really genuine in their expressed desire to enter more into the programming of Indian affairs and community development on Indian reserves, before the federal government accepts such participation it should satisfy itself that the provinces intend to allocate meaningful amounts of money for this purpose. In some respects the entry of the provinces into affairs relating to the Indian people is to be welcomed. I am all in favour of the idea, for example, that the federal government should not continue to expand the educational facilities which it offers but should rather avail itself to a greater extent of the offers made by the provinces to establish joint Indian and non-Indian schools. I believe that in this respect very tangible progress has been made in the past four or five years.

However, apart from that let us consider, for example, the community development program about which we hear from time to time from the provinces. In that connection the provincial authorities seem to have a pretty good concept on paper. Some provinces have appointed provincial civil servants as community development officers who travel to and live among the Indian people. This may sound good but I must say, having regard to all we heard about the community development program and what we had come to expect from it, there is some cause for disappointment because there is not enough money backing that program to allow it to come up to our expectations. I am afraid the federal government will be indulging in wishful thinking if it feels it can disengage itself from some of its programming and leave more to the provinces. However, I do not wish to prognosticate too far into the future for the simple reason that I plead ignorance.

In my humble opinion there are some areas of activity on the reserves which the Indian affairs branch should encourage rather more than it does now. I know that in recent years very definite and genuine efforts have been made to try to encourage the younger Indians especially to take on duties and responsibilities as quasi-civil servants working amoung their own people as welfare and health officers disseminating information on hygiene and other matters. I do not know to what extent this is being done officially but I am glad to say that from my own observations it seems to be working well and the department is to be commended for every effort it makes in this direction. I feel, however, we could go quite a bit further. In addition to having people on the reserves acting as health officers we could train the younger men on the reserves for purposes of law enforcement under the aegis of the R.C.M.P. I am not suggesting that they should form an organic part of the R.C.M.P. but surely it should be possible to devise a training scheme under the auspices of the R.C.M.P. whereby young men from the reserves would be taught law enforcement as it applies directly to their local situations.

• (4:20 p.m.)

I am not sure that this comparison is a good one but I shall put it forward in any case. I am sure hon. members have heard of the efforts in the United States under the auspices of the war on poverty program, I believe, to train young men from minority groups to help keep law and order in the ghettos. I believe they go by the name of "white hats". Perhaps something along this line could be implemented in Canada in respect of the Indian reserves and the young men of Indian descent. I would be surprised if the Royal Canadian Mounted Police were not at present considering the possibility of doing something like this because I understand that they find themselves hard pressed to get enough constables and officers to allocate to the different provinces as well as look after the problems of law and order in the more northerly parts of the country and on the Indian reserves. It seems to me they would welcome such a proposition as long as it is feasible. It seems to me there would be a greater response and greater effectiveness

with young people from a particular environment carrying out functions and duties which up until now have been almost exclusively carried out by civil servants. It would seem to me to be a good idea if more and more of the health officers, welfare officers and ancillary law enforcement officers were obtained through this process.

If this suggestion is followed we will be hastening the day when almost every reserve will have young Indian men and women carrying out the functions of leadership. In this way they may arrive at self-rule in the same way that men and women enjoy local self-government at the municipal level. It is my understanding that the department is not fighting the process. There are some who say that the department should be disbanded or broken up, but certainly I do not subscribe to that kind of thinking. I see the minister is smiling. I really was being serious and I suggest that the functions and responsibilities of the department in connection with Indian affairs cannot be eliminated in the very near future.

No doubt some reserves are on the verge of, if not already, exercising local self-rule. I believe that one or two reserves in eastern Manitoba are already in this category. Out of the six or seven reserves I can think of offhand, one is on the verge of showing the capability of exercising complete local self-government. Two or three are in various stages of preparedness. At the same time I must admit that one is some distance away from this position. Until now no effort has been successful in enabling these people to accept the normal duties and responsibilities of living in a modern society. They have followed their own way of life which did not involve them in the same kinds of problems, and so they did not learn to cope with the kinds of problems we find in our society.

However, I should like to say that while on the one hand the department is to be congratulated for its program in respect of reserve housing and town planning, it has not given priority to something that is rather elementary, the planning of house construction. When one considers the program for the complete electrification of all reserves, one finds it hard to justify why one reserve not many miles away from another that has electricity cannot get it. On some reserves there is townsite housing construction, so it is just a case of establishing priorities. I might say in that connection that despite the statements of the band council leaders about getting electrification the department has been very sympathetic. However, they have not succeeded in getting the projects completed with the result that people on a few reservations are waiting while a few miles away money is being expended on many of the most modern amenities.

I should like to refer now to the attracting of industry. I know it is hoped that somehow, in same way, not only the reserves but most rural areas of the country will be able to attract industry. If industry were attracted to the reserve areas employment opportunities would be provided for the young people. They would then not have to move away and cut the bonds of attachment. We know that opportunities for the young in these areas are limited. There are, however, a few specific possibilities and since they are specific it seems to me the department should be interested in promoting them. I refer to specific industries, but perhaps "industry" is not the right word. I have in mind the occupation of guiding.

I know hon. members will say that there are many Indian guides, and of course there are. However, there would be a need for many more if both the federal and provincial governments were to incorporate these guides into their tourism policies. The government of Manitoba, as does the government of Canada, spends hundreds of thousands of dollars on tourist advertising in many countries, principally the United States, with considerable success. However, when people come as tourists to go fishing in our northern lakes they very often do so without hiring the services of any of the local population as guides. It seems to me there should be a lot more specific and concrete participation in the encouragement of the hiring of local Indians as guides for tourists.

In many cases certain bands or particular members of a band have a reputation as being efficient firefighters. These Indians are recruited and made use of by government agencies as firefighters. They are paid from $5 to $7 per day for this work. Five dollars to $7 a day at the very most is being paid these people for hours of work.

• (4:30 p.m.)

The Assistant Deputy Chairman: Order, please. I am sorry to interrupt the hon. member but the time allotted to him has now expired.

Mr. Schreyer: Mr. Chairman, if I may have your indulgence and that of the committee I can complete my remarks in about two minutes.

The Assistant Deputy Chairman: Does the committee agree?

Some hon. Members: Agreed.

Mr. Schreyer: We are trying very hard through the offices of the Indian affairs branch to open up new employment opportunities and to raise general living standards. Therefore there can be no good reason for tolerating—I use that word advisedly—the practice followed by all levels of government, and to which I think there should be a public reaction, whereby they pay Indians as little as $5 or $6 a day for firefighting. Certainly this is the case in my part of the country.

We should be doing more not only to encourage the setting up of co-ops but to assist the Indians during periods when the going is tough. We all know that work such as pulpwood cutting and wild rice gathering, fishing and so on is cyclical and that some years are good and others are very bad. Therefore these co-ops need a little more than just initial assistance; they require sustenance during the lean periods. Since in past years we have shown no reluctance to inject a little more money into our over-all efforts to assist the Indians, we should not be quite so cautious and parsimonious about giving the co-ops which are established on many Indian reserves a little more financial assistance. We should exhibit more readiness to help them in the purchase of equipment such as tractors and tractor sleighs for hauling pulpwood, chain saws and so on. We should loosen up the purse strings a bit. If we do not assist them in this direction we shall have to do so in another. If we assist them through the provision of welfare these people are not given the opportunity to work alongside other members of society and solve their problems.

I promised to close in two minutes, Mr. Chairman, and unfortunately there are a few other things I should have liked to mention. However, if the minister takes into consideration what I have said so far I will be most grateful.

Mr. Thompson: Mr. Chairman, I do not intend at this time to attempt to deal with parks policy in any way but will limit my remarks to several constituency matters that are of some importance. We will await the answers to some of the questions raised by the hon. member for Edmonton West. I should like to say to the hon. member for Springfield, who has just spoken, that we are not only concerned about those who have held these park leases in the past but also about those who may hold them in the future. It is not only the recreational or conservational aspects of the parks which are important. The essential services which go along with the development of the parks are also vital to the kind of development that most of us in this committee are anxious to see take place.

I would draw the attention of the minister to a matter with which I know he is familiar and which is of sufficient importance for me to impress upon him. I am referring to the David Thompson highway. The Yellowhead pass route has already been discussed this afternoon. Reference has been made to the problems that exist in Banff national park as they relate to transcontinental highway No. 1 as well as to the facilities that must be provided to meet the needs of commercial traffic. The David Thompson route, however, might well have been developed before either of these other routes had the necessary information been available to those who were responsible for laying out the original Canadian Pacific route through the mountains and later the Grand Trunk route to the north.

The David Thompson route follows the Saskatchewan River west of my home city of Red Deer, through Rocky Mountain House, through the coal mining centre of Nordegg and surrounding communities, up to the headwaters of the Saskatchewan, across the Banff-Jasper highway, up to the Howse River, over the great divide and down the Blaeberry River to a point just at the eastern foot of Rogers Pass near the town of Donald. It cuts from 80 to 90 miles off the route to the Pacific coast from any point in central Alberta or central Saskatchewan. This means that the city of Red Deer is approximately equidistant to the Pacific coast as the city of Calgary, and consequently the route saves many miles and transportation costs for all freight and tourist traffic from central Alberta and central Saskatchewan.

The provincial government of Alberta let this year the final contract for construction of that part of the highway between Nordegg and the eastern boundary of Banff national park. On August 5 the opening ceremonies are scheduled to take place at the Saskatchewan River crossing on the Banff-Jasper highway, at that point where the David

Thompson route goes eastward to join up with highway 2 just north of the city of Red Deer. Not only is this route tremendously scenic, Mr. Chairman, but it is not subject to severe snowfalls in winter. Neither does it have the grades that one would normally associate with and expect to find on mountain highways.

With the construction to trans-Canada standards of grade as far as the Banff national park, the completion of the route is now a matter of urgency. Not only must the four miles be completed to join up with the Banff-Jasper road—I understand this construction is well under way at the present time—but everything possible must be done to see that the road over Howse Pass which will connect up with trans-Canada No. 1 at Donald is completed as soon as possible.

Those who support the Yellowhead route have in the past opposed the development of this route. In my opinion, in view of the volume of traffic that can be expected over the Yellowhead route, it would be of tremendous advantage to the national parks if the David Thompson route were completed because it would result in tremendous savings in transportation costs. Not only is it a much shorter route, as I have already indicated, but the construction of the road is comparatively easy. The grades involved are very minor indeed having regard to the type of mountainous country through which the proposed highway passes.

I therefore hope the department will not wait for the government of British Columbia to build its 28.5 miles, I believe it is, of the road from the western border of Banff national park, but will take the initiative and develop the route through the very narrow waist of the park at House Pass.

• (4:40 p.m.)

Not only would it cut some 80 or 90 miles off the distance to the Pacific coast but it also offers the advantage of attracting much of the commercial highway transportation which now goes through Banff national park by way of Banff and Lake Louise, bypassing altogether the bottleneck presented by that difficult road and the costly type of construction involved between Field and Golden. I believe much of the commercial transportation which now passes through the Banff bottleneck and which has been the cause of much of the dissension in connection with park policies would prefer to take the new route instead of No. 1 highway which it presently follows, bearing in mind that the distance to be travelled is shorter and the grades are less steep. Banff park narrows to a distance of only 20 miles approximately where the Thompson route crosses it, resulting in less interference with recreational development. I would remind the minister that this heavy commercial traffic has been among the causes of the difficulties which now exist in the park, and if these could be alleviated by providing an alternative commercial route the minister would face fewer problems than he does at the present time.

[Mr. Thompson.]

From the Saskatchewan River crossing going east this highway makes a figure eight out of the circular route from Calgary to Edmonton through Red Deer and from Edmonton to Jasper and Jasper to Lake Louise and eastward to Banff and Calgary. It would be extremely attractive to tourists because they would only have to travel half the distance to see some of the most spectacular mountain scenery there is anywhere in the world, whether on the northern or the southern half of this route now being created.

I trust the minister will be able to have the first four miles of incoming road between the Jasper-Banff road and the eastern park boundary completed by August 5 for normal travel, together with the necessary bridge across the river at the park boundary. With most of the highway already completed, a park gate is needed very quickly because the volume of traffic passing into the park is already large. A new park entrance would facilitate the work which the employees of the parks branch must perform in controlling traffic and collecting entrance fees. It would also assist tourists travelling through the area. I believe budgetary provision has been made for this expenditure for at least one year, if not for two.

Another important need concerns the provision of facilities to handle tourist traffic at this particular point. There is already a need for vastly expanded camping facilities, and provision must likewise be made for the building of motels. Anyone who has travelled through the park between Jasper and Lake Louise appreciates that there is extreme pressure on existing facilities. Although much has already been done to increase facilities I believe there is need for a crash program. If the increase in the last two or three years is any indication of what will happen in the next two or three years, great attention must be paid to the provision of both campsites and motels. Action is needed now, without delay, since this highway is to open on August 5.

The highway department of the government of Alberta is to be congratulated on the vision it has shown in the development of its portion of the new highway. The potential of this highway does not just involve those who live along the route nearly as much as it does the development of the over-all tourist industry in Banff and Jasper, and the consequences which will flow from a more economical route over the mountains, affecting all western Canada.

I have drawn the attention of the minister to the importance of these developments and to the need for extra effort to be made to provide facilities for handling a growing tourist influx into the parks through this new entrance, but I emphasize as well as the desirability of completing this road from the Saskatchewan River crossing so as to join No. 1 highway at Donald station.

Mr. Bigg: Mr. Chairman, I should like to thank the minister for his co-operation in supplying the buffalo meat for the biggest buffalo picnic in Canada's history. Had it not been for the co-operation of the hon. gentleman's department, that picnic would certainly have been a failure. I want to go on record as thanking both the hon. gentleman and his department for their part in its success.

One of the most important duties which the minister has assumed is responsibility for heading the department of Indian affairs. I happen to think it is among the most important departments in the government, though very often it fails to get the attention it deserves. Our Indian people are the senior citizens of Canada and the fact that the twentieth century has left them far behind is no excuse for a rich young country like Canada, which has profited from living in their land, continuing to neglect their important and pressing needs. I do not think we shall ever reach the Indian people and enable them to take the place in Canadian life they deserve and be as prosperous, as well educated, as well placed in our industries and professions as they should be unless we really get to understand them. They are a proud race, like all the families of mankind. They have just the same capabilities and just the same desires as all of us. But they have been left high and dry. I shall say nothing in recrimination; I will try to make a positive contribution.

• (4:50 p.m.)

Let us forget the errors of the past and press on with a positive answer to the Indian problem. We have to help the Indian restore his pride in himself. If we can do that all the other problems will fall into their proper places. The most important thing we could do would be to appoint a deputy minister of Indian or Eskimo origin. We can find such a man if we look for him. There are such men in our country as the Rev. Ahenakiew, an Anglican minister who is a full-bloded Cree. We have several Indians who are versatile enough to belong to the R.C.M.P. The minister has several members in his own department who are excellent men. There is Mr. Kelly who went to New Zealand and studied the native problem there. There is Mr. William Bull of Alberta who on several occasions has been elected chief of the Goodfish reserve. There is Mr. Steinhauer who is very prominent in northern Alberta on the Saddle Lake Reserve. He at one time ran in an election for member of parliament. I look forward to the day when we will have several members of parliament of native origin.

The old pride which the Indians had and which lies dormant in them must be brought to the fore if they are to have any hope. It is not just a question of money. We can spend hundreds of millions of dollars but as long as we are paternal with these people, not friendly, understanding and co-operative, the money will go down the drain.

It is almost useless to try to raise the standard of living of an Indian on a reserve without raising the standard of living of the whole tribe. We can send an Indian boy to school and put him through high school, but when he goes back to the reserve later he is a whitewashed crow. His very vocabulary will make him unpopular with his fellows. Unless we educate all the Indians as much as we can we are merely giving some of them the white man's ways. Unless they want those ways it is useless to ram them down their throats. Probably many people within the sound of my voice think that all the Indians need is homes like ours with hardwood floors and Crane plumbing. But Indians might be happier in good tents, temporarily at least, if the tents were warm and well stocked. They might be happier to spend money on clothes, what they call fine feathers.

I suppose some hon. members may say, "All right, if you know these people so well, what is your solution"? I am speaking primarily of western Canada because I know that area. Some of the reserves there have the most excellent ranching land in Canada but in many cases it is going to waste. I could take members out there and show them large stretches of virgin prairie owned by Indians.

Yet today at a time when beef cattle are at a premium there are no cattle on these lands or, if there are, they are owned by white men. The Indians are beginning to understand that if this grazing land can make money for white men there is no reason why it should not make money for Indians.

I suggest that we go to the Indian, consult with him, find out how much of the white man's ways he wants, how much discipline he will supply himself and by communal effort. We should give them whatever they want and allow them to be their own administrators. Indians, like any other branch of the human family, will take pride in doing things on their own. Some hon. members may try to downgrade this idea by saying it is nothing but a form of communism. But perhaps Indians need a form of communal living because they are not yet ready for the twentieth century.

We should try to restore the Indians' pride in themselves. We should provide them with a workable plan for a way of life close to their old accepted way of life when they lived off buffalo herds or by individual trapping in the woods. If some Indians want to be ranchers we should help them to become ranchers. If some of them want to remain in the woods perhaps we could work them into the tourist industry as guides.

Many Indians are very capable with their hands. They are efficient at manufacturing in the home. They are certainly capable of maintaining outboard motors. They like fine feathers. These Indians would be at a premium if they dressed in their own beautiful native costumes made of hand-tanned leather, which is still available and which we can help them to get. If they did this and acted as guides, then our American relatives and European visitors would get some of the colour of our rich Canadian culture.

The Indians must have autonomy. They are taught from the cradle to hate us. This is a negative approach. But I do not think they would hate us if we really extended to them the kind of friendship we would expect if we were in their place. If we did that they might teach their children to love us and eventually accept the best part of the white man's ways.

Where Indians have had economic security they have progressed. They are capable of all the skills of the white man. They are just as capable as the white man with their hands and their heads. As hon. members know, Caughnawaga Indians get premium wages in steel construction work. Their native skill in trotting along logs through the forest gave them sure footing. Now they raise their children to expect to be somebody when they reach their later teens. They have pride in themselves. They trot along the high steel of skyscrapers in New York, Montreal, Edmonton and Winnipeg and they show us that the red man is truly noble, like the rest of the human race, when he has a chance.

I hope the minister will pay heed to this plea on behalf of the Indians. There are legal hitches. The Indian Act needs to be revised. The treaties need to be revised. Of course the Indians are afraid to touch the treaties because they feel the treaties were not kept in the past. Again I beg that the Indian claims commission, promised for 50 years, be brought into being. Let it be a commission for the Indians, not merely the enlargement of another arm of government to make jobs for white men. Let it be a commission which will correct those errors we committed when we did not keep our side of the treaties. Such a commission can help bring about a new deal for Indians, one that is long overdue. But that commission will not work if the Indians feel it is just another piece of bureaucracy and not an honest attempt at friendly co-operation.

• (5:00 p.m.)

I have read one or two draft bills. One of them contained a suggestion that there should be a commission made up of three appointees. One member of the commission would be a member of the judiciary, one would be an appointee of the government and the third would be an appointee of the Indians. The subclause immediately following said that the Indian appointee would be subject to removal at the whim of both houses of parliament. This would be a mistake which would negate the whole effectiveness of this new commission. The Indian appointee must be subject only to the wishes of the Indians themselves. We have had at least 100 years of delay and, if this should cause further delay, a few more months would not make any difference. This man must be an Indian appointee and his tenure of office must be subject only to the wishes of the Indians themselves. Canada is a great and large country. There are many tribes involved. I believe it would be well nigh impossible to pick any one Indian and say that he represents the native people of this country. If we were to pick a Mohawk, perhaps the west coast Indians of British Columbia would think that he would know little about their ancient fishing rights.

Therefore I suggest that when this commission is set up it should be a flexible so far as the Indian appointee is concerned. By all means let an independent judge sit as the chairman of the commission, and the government, of course, would have to have an efficient civil servant who knows the act and the conditions under which the government has worked over the last 20 years or so. However, so far as the Indian appointee is concerned I suggest that this commission, which certainly will have to move across the country in order to deal with these problems one at a time, should accept an appointee from the Mohawk tribe or from the family of tribes as the case may be.

It might be possible to get the Bloods, the Peigans and the Sarcee to agree on an appointee but so far as the Crees are concerned I believe the great family of Crees should have its own appointee. In this way the Indian appointee would be one who would know the problems of the Indians in a particular part of the country. I have heard that one of the reasons the commission has not yet been set up is that there is not unanimity among the Indians. If this is what is causing the bottleneck now, it can be avoided by making the appointment of the Indian representative flexible.

Some people have said that it would be dangerous to open up all the treaties. It has been said that this might cost us a good deal of money. Well, Canada is a country which always pays its debts. This is something which should concern the claims commission. If we do owe these people money, larger pieces of territory, or considerable mineral rights which they have been unable to use, then let us establish this commission and find out what the facts are. I am sure that when all the facts are placed before us we will not hesitate to pay these people what we owe them. I am sure we will not hesitate to place at their disposal some of the tremendous resources of this country in order to bring them in this second century of Canada's history to the place of honour which because of their friendly acceptance of us they so rightfully deserve.

Mr. Mackasey: Mr. Chairman, my remarks at this time will be very brief. They stem particularly from the fact that our national and historic resources come under the jurisdiction of the minister whose estimates we are discussing at the moment. More particularly my participation at this time is, of course motivated by the very welcome announcement made by the minister during the question period when, in answer to a question placed on the order paper some time earlier by the hon. member for Essex West, he reiterated the statement made in March that the resting places or graves of the fathers of confederation would be considered as historical sites and consequently would be eligible for some type of financial assistance from the department concerned.

Before I speak directly and specifically about this problem. I should like to pay tribute to this division of the department. Living as I do on the island of Montreal I have had no direct contact with the work of this section of the minister's department in latter years, but I recall with a certain degree of affection the existence of the park which we used to call simply the Plains of Abraham situated in the city of Quebec, and the role that park plays in that communiry. I recall, of course, the period of my life when I lived in the city of Quebec between the ages of 10 and 17. That period coincided with the depression years. The few persons here who have lived through the depression years will know that many Canadians compensated for the lack of money by using a little initiative in utilizing their leisure time. High in the order of priority in this regard in the city of Quebec were the Plains of Abraham. That park is a tremendous credit to the department.

It is perhaps true that the Plains of Abraham are known best for their historical significance, but to the residents of Quebec, the Plains, which is the name we used for the park, was a meeting place where the citizens could enjoy picnics and otherwise make good use of their leisure time by using the park for recreation. However, like most people, during my early days I paid little or no attention or gave any credit to the battlefields commission which is charged with the responsibility of maintaining the park. I suppose that like most citizens of Quebec I assumed the park was maintained in some miraculous fashion by the city of Quebec or the provincial authorities or was endowed by private interests. It was, of course, only when I grew up and became a little more interested in politics and a little more aware of things around me that I realized that this place of beauty was maintained by a particular department of the federal government.

I think it is to the everlasting credit of successive governments, both Conservative and Liberal, that the overriding policy in the

park has been to maintain the beauty of its sitting. This park has been a tremendous boon to the tourist trade. It is one of the foremost tourist attractions. Many hundreds and thousands of tourists who will visit Quebec, during our centennial year, will of course visit this park. So I should like to congratulate the minister.

I note in the estimates of the department that very little increase has been designated for this branch. This puzzles me a bit because I believe that like many others it is suffering as a result of increased salaries and the increased cost of maintaining parks and sites.

Today, as a result of a question asked by the hon. member for Essex West, the minister repeated the assurance he gave the house on March 15 that something will be done about the graves of the fathers of confederation which in many instances are badly in need of restoration. My interest in the subject arose quite naturally as a result of representations made to me by various organizations on the island of Montreal, particularly the St. Patrick's Society. I was prevailed upon to ask whether there was some department of government which would assume the moral and financial responsibility of looking after the resting places of those wonderful men who 100 years ago had the vision of forming this country known as Canada.

• (5:10 p.m.)

Like that of most backbenchers, my route to the very kindly and sympathetic ear of the minister was a long and tortuous one. I commenced my approach rather naïvely by going to the Minister of Public Works. After many months of sympathetic correspondence we mutually arrived at the conclusion that I was dealing with the wrong department. After six months of rather harrowing experience I then rather naïvely transferred my efforts to the centennial commission, presuming that in a country which was about to celebrate its centennial the resting place of Thomas D'Arcy McGee should be more important than the assassination of Abraham Lincoln. When one watches television on Sunday night and observes programs such as the Walt Disney program or others from the United States to which we are exposed culturally in Canada, it is quite easy to understand why the average youngster in Canada is familiar with the exploits of Abraham Lincoln but knows relatively little about the father of confederation who was assassinated within sight of the parliament buildings.

[Mr. Mackasey.]

I was informed on several occasions that while my project was a very suitable one centennial funds for this type of endeavour were not provided by the federal government but rather were the joint responsibility of the federal, provincial and civic authorities. I started over again and approached these three levels of government with the hope that some financial assistance could be provided for this project in which I was interested. After many months of letter writing I was again assured that my project was a very wonderful and touching one for centennial year but unfortunately the funds for this type of project had been exhausted and I was from 60 to 90 days too late.

It was at this time the suggestion was advanced by the then minister without portfolio, the hon. member for St. Lawrence-St. George, that I turn my efforts in the direction of the minister of northern affairs, whose estimates we are considering at this moment. I am very pleased to say I found it much easier and more simple to convince him of the validity of my case than any of the other avenues which I explored for some 12 to 15 months.

Let me leave this suggestion with the minister in the hope that he may expand a little when his opportunity comes later in the evening to answer some of the questions. On March 15 the minister announced that after a series of meetings with that branch of his department that I refer to as the historic branch but which is actually the natural historic and resources branch, it was felt normal and natural that the graves or resting places of the fathers of confederation should be considered as historic sites. I am sure hon. members will agree with that decision, particularly in view of the fact that we are discovering perhaps for the first time what it means to be a Canadian.

The spontaneous efforts of the people of Canada during this last week in breaking away from or putting aside our inferiority complex, make it more important that we should realize and cherish the efforts of the fathers of confederation. The fact that this country is only 100 years old makes it possible for us to do something to remember these people. Their speeches are recorded in *Hansard* and there are other ways of remembering them. But it does seem to me as it did to the minister that we could do something else such as providing assistance to an organization such as the St. Patrick's Society of Montreal to restore to its proper condition the resting place of Thomas D'Arcy McGee.

In his remarks of March 15, in which the minister announced that the department was prepared to render financial assistance for the restoration of these resting places, he created some puzzlement by his use of the phrase "financial assistance". That term implies that somebody or some corporation or society must exist to assist financially. How or who do you help financially in those cases where no society or corporation exists? In the case of the Thomas D'Arcy McGee project fortunately, there is a body in existence that can be helped financially. I refer, of course, to the St. Patrick's Society.

It is not difficult to visualize that in other instances there are no such societies. I have made representations to the minister asking him to elaborate further in defining "financial assistance", because it seems to me this is the key phrase in his statement of March 15. I suspect the minister will want to discuss this point and I hope that when he does he will point out that financial assistance can vary from one project to another from 10 per cent to 50 per cent or perhaps up to 100 per cent depending on how elaborate or simple the project is.

In the particular case of Thomas D'Arcy McGee I am happy to say that McGee sat as a member of the two major parties which existed at that time. We were not faced with the curse of socialism 100 years ago. In any event, Thomas D'Arcy McGee entered the house as a Liberal, although unfortunately in a moment of weakness he became a Conservative. I notice that an hon. member on the front benches of the opposition removed his glasses after hearing that remark. In a serious vein, Thomas D'Arcy McGee was a great father of confederation and certainly the complete cost of the project I have in mind should be absorbed by the minister's department, I hope that at the first opportunity the minister will re-assure me.

Mr. Baldwin: Mr. Chairman, everyone who has held the portfolio held by the present incumbent has realized a great sense of responsibility. I know that his predecessor, the hon. member for Brandon-Souris, was keenly interested in the north and its development. He came to know the area and to love it. He did great things here in Ottawa and elsewhere to create a feeling of development in the north. I realize this very well because in 1961 when a ceremony was held at the opening of the Pine Point railway the hon. member for Brandon-Souris climbed on a caterpillar tractor to carry out the usual ceremonial functions. We saw him disappear over a hill, heading north, and it took some time to find out how far he had gone and bring him back.

• (5:20 p.m.)

An hon. Member: They could not stop the machinery.

Mr. Baldwin: I am advised, Mr. Chairman, that they could not stop the machinery. I think there is a great opportunity for a minister who holds this portfolio to do what I believe one British prime minister said when asked what his achievements were. He was referring to North America and he said, "I have helped call into being a new world to redress the balance of the old." I know the present minister feels this way. God knows, there is enough to redress in the balance of the old world and the old part of Canada.

There are a great many things to be done. I shall not go into detail at this stage because I have made my views known from time to time. However, I think it is of interest to point out that Dr. Deutsch, chairman of the Economic Council of Canada has become very interested in the question of the north and northern development. He made two trips to the territories in company, I believe, with the minister and some of his officials. He stopped on the way at the town of Peace River. Unfortunately I was not able to meet him. The interest of Dr. Deutsch in the north is pointed up in the third report of the Economic Council of Canada. I think this should give the minister an opportunity to do a little arm-twisting with his colleagues, particularly the Minister of Finance, who sits quite close to him, when the occasion arises. The problem is in getting the money and spending it in the right places.

I have made one suggestion to the minister and I make it again. I believe it would be very suitable, particularly this year, if the minister would take the initiative and convene an international meeting of those nations which have jurisdiction in the north, that is, Canada, the United States in right of Alaska, the Soviet union and the Scandinavian countries. I suggest it would be very appropriate to convene such a meeting in Yellowknife. Representatives of these countries should be brought together to consider ways and means of peacefully exchanging and pooling information dealing with northern development. We in Canada have made progress in this regard. The Russians have made progress in areas in which we perhaps have not been able to. But I believe that in a spirit of détente this is an excellent area in

which these people can come together and pool their information.

In certain areas there is no question of security or classification. There is a common interest in the world to bring into a reasonable degree of economic development those parts of the north which are suitable for occupation, exploitation and development. I do not think there is any question about this. We know that for different reasons the Russians have been able to establish cities of a million or half a million people far to the north of our largest settlement of Yellowknife. There are, of course, geographical and political reasons for their being able to do this.

I believe it is now common knowledge that in Russia there is a system of incentives which persuades people, particularly the young, to go to these areas. On the North American continent today the two nations, in particular the United States, are spending billions and billions of dollars in space exploration and development. This is very essential and a start had to be made in this field. However, it seems to me it is also very essential that we be prepared to devote a reasonable part of our national economy for the purpose of seeing what parts of the north can be developed and, where there are resources, what we can do with them.

I have said over and over again that a country that concentrates its resources and population in one limited area, as we are doing in Canada, is looking for trouble. The cost of policing, sanitation, building houses and educating children grows increasingly higher in these areas. There is an increasingly large number of problems in connection with these areas. Now is the time to work together with other nations and lay out a plan for the development and utilization of the north.

We know it will not be too many years before parts of the world, particularly this continent, will be running short of certain strategic materials. I do not know to what extent the Paley report has been followed or to what extent people in the United States are examining it. But I remember there was a feeling a number of years ago that certain strategic materials required for industrial use and development would be in short supply. It is the tendency of human nature to wait too long to take the steps which need to be taken to see that there is a rounding off and a normal development in this regard. This applies to our continent and this country. I hope the minister will give some thought to convening such an international meeting as a preliminary step to solving these problems. The increasing use of commodity pipe lines and changes in trade development and the exchange of goods will in the not too distant future, I believe, bring us to a period of time when the north will have great strategic importance, not necessarily in terms of defence strategy but in terms of trade and communications.

I listened with interest to the hon. member for Athabasca who spoke about our Indians and the Indian problem. I do not think we have an Indian problem, although it is often referred to as such. There are a number of Indian people who have problems. There are a number of Indian bands which have problems. This is why it is extremely difficult for us, sitting here in Ottawa, to formulate proposals on a broad, national scale which will be suitable for application to the Indian people in all parts of Canada. I suggest that we must have—and I believe the department is moving in this direction—a great measure of decentralization in order to give to the officials in the various areas, the superintendents and regional directors, a greater measure of authority and independence so they will be able to apply the general policies laid down in Ottawa broadly in a way which will best benefit their districts. We in Ottawa have a tendency to feel, when we appropriate $10 million or $20 million for a certain project, that the money will trickle down and will ultimately be used by individuals in those areas that we believe need improving. But this is not always the case. All too often the way the money is used is a matter of discretion on the part of independent civil servants who are on the firing line.

From what I have learned I believe that the policy I suggest has been applied to some extent but I should like to see it accentuated. It means getting the very best people that we can in these areas, people who will be responsible for dealing with the Indians, and giving them not carte blanche but at least within certain limits the right to modify policies according to circumstances in a way which will best benefit the Indian peoples with whom they are dealing and the areas where they live.

• (5:30 p.m.)

I should like to give the minister an example of what I mean. In the community of Hay Lakes, with which I think the minister is familiar—it is not too far from the famous

Rainbow lake oil area—some years ago a white man was engaged by the band council to inaugurate a system of cutting logs and get the Indians involved in this work. He was to teach them the essential mechanical trades and help them develop a self-contained enterprise. This man made very substantial progress in his first year and a half of operation. He was able to provide the oil companies with lumber much cheaper than they could get it flown in.

At that time there was no highway into this area. I flew in there on two or three occasions and I talked to him. At one time it looked as if he would be able to set in motion an economic operation which would give year round employment to the 40 or 50 men who made up the majority of the heads of households in this area. Unfortunately, because of red tape and restrictions some difficulties developed. Eventually the man had to leave because of problems which arose with the local superintendent as a result of difficulties with the lines of communication in getting the equipment which was necessary, and so far as I know nothing more was done. Here was a situation where 40 or 50 adult Indians and their families would have been able to initiate, develop and continue an economic program which would have given employment to a large percentage of potential wage earners in the district. These are the sort of opportunities for which we should look, particularly in the northern part of Alberta, in the territories and in the northern part of Saskatchewan.

As a result of the sudden influx of people in connection with oil exploration and the development of the oil industry, the traditional sources or earning a living such as fishing and trapping have been taken away. These people have been suddenly exposed to civilization. They are untrained, unprepared and incapable of earning a living. At this time there is a special urgency about many of these cases.

However, I feel that our great problem lies with the education of the Indian children. In my part of the world in northern Alberta the Grouard vocational training school has been providing education to many Indian children who might otherwise have dropped out of school. I had the good fortune of welcoming three of these children to Ottawa not long ago. The boys had come here to study forestry and mechanical trades such as welding and the girls were taking beauty counselling and nurses' aides courses. It is my belief that in normal circumstances these children would have dropped out of school had it not been for this vocational training scheme.

This is the kind of thing on which the government should concentrate. We must bring these people one stage further and give them the opportunity to take one more step up the economic and social ladder. It is a difficult and heartbreaking problem and I know very well what is involved, but I urge the minister, if he happens to be in that district, to go to Grouard, look at the vocational training school there and see the Indian and white children working together at their desks and in the machine shops. I think these children will be far better able to enter into the economic and social life of this country than their fathers and grandfathers were.

The hon. member for Athabasca spoke about the Indian claims commission. This is a very difficult problem. If the claims commission were to be invested with the complete authority that is required to deal equitably—I stress that word—with all of the justified complaints of the Indian people and if this were to bring remunerative results, it would mean a tremendous amount of money. Not long ago I read about a decision of the supreme court of the United States according to which Florida belongs to a tribe of Indian people who under that judgment are entitled to take over Florida. I do not know what they would do with Miami Beach and the gambling houses there. However, if a court were to look at some of the original treaties and agreements made between representatives of the crown and Indian representatives over the last 50 or 60 years, it would be compelled to come up with a decision that these were fraudulent agreements obtained under false pretences and on the basis of promises which were never kept. If these treaties were to be interpreted in the light of modern conditions they would all have to be declared illegal. However, we as practical people know this is not possible.

In any event, we know that we have made great progress in this country, and what we want to do now is to give the Indian people an opportunity to participate in the reaping of the benefits which should and must be made available to them. This is the conundrum which will face the minister and the government when they come to enact the Indian claims commission legislation. They will have to consider on what terms it should be drafted. I would suggest that before the judgment of the government becomes final the minister might give thought to letting a committee look at this whole matter and

make suggestions and proposals regarding it. Of course its terms of reference would have to be drawn up fairly carefully. This is a matter in which the work of the standing committee might be of benefit to the government before the legislation is drawn and brought down.

I was present and saw the Indians from Quebec perform their folk dances on June 30. I know that Her Majesty visited the pavilion of the Indian peoples at Expo during the course of her sojourn there yesterday. I am sure she read the messages left there by the Indian people regarding the injustices which they feel have been meted out to them. These are not injustices which this generation alone must sustain but injustices over a period of the last 100 years for which the people of Canada must bear the responsibility. As I watched the Indian people dancing here and as I read about Her Majesty's visit to the Indian pavilion I thought that something must be done now so that when we pat ourselves on the back and tell ourselves what wonderful fellows we are and what a wonderful birthday party we are having we will realize that we are not entitled to that feeling without accepting some degree of blame and involving ourselves in a meaningful program to help these people.

The minister has made some announcements with respect to housing and I know that the government is heading in the right direction. But time is not on our side. I would hope that all members of the house will resolve, in a nonpartisan way and without allowing their views to be swayed by political consideration, that at this time when we are celebrating our centennial something more meaningful will be done to bring the level of the original settlers of Canada, the Indian people, up to a stage where they can share and will have the right to share, as they should have had before, in a far more material way in the birthday party which we are having in Canada.

Mr. Reid: Mr. Chairman, I should like to endorse the appeal made to the minister by the hon. member for Peace River so far as it concerned the decentralization of Indian affairs services. Since I came to Ottawa I have witnessed the federal government wallowing incompetently in areas where it had invaded both provincial and municipal authority. In view of the fact that the Indian problem is not just a general one involving national Indian policy across the country but one concerning Indians in specific locations, a program of decentralization and concentration in these areas instead of trying to deal with the statistical average Indian would be of great benefit to the Indians of Canada. I think we want to get more return for the effort and energy we are extending in trying to help the Indians.

• (5:40 p.m.)

There are, it seems to me, three types of problems connected with the Indians. They can be loosely categorized as, first, urban problems related to those Indians who have migrated from reserves to cities and those Indians who live on reserves adjacent to cities. Then we have the rural based Indians who live near rural townsites. Third, we have the Indians of the far northern areas. It is the latter two types with which I should like to deal for a few minutes because many of the people who inhabit my constituency belong in these categories.

We have found a variety of difficulties in trying to bring the Indians up to a more equitable standard of living. We must, I believe, provide them with an opportunity to make a place for themselves in Canadian society. I have found the Indians, generally speaking, to be interested in earning their own way. A great many of them resent the welfare handouts which we give them. As a matter of fact, some of them go so far as to say that we give these welfare handouts much more easily than we give them the tools and education they need to make their own way.

I have an example of this which I should like to mention at this time. One of the few natural resources available to the Indians for exploitation in northern Ontario is fish. Indians can fish both summer and winter. There is a company in Keewatin called Shoal Lake Fisheries Limited which set out to attempt to exploit the fish resources of Lake of the Woods in the northwest part of Ontario. Originally it supplied the Indians with capital equipment in the form of nets, outboard motors, boats and all the other necessary paraphernalia. The capital amount was to be paid back out of the earnings the Indians made from fishing.

Several things have gone wrong with this plan. First of all, there has been an out and out failure by the Department of Transport to enforce its own regulations concerning commercial aircraft in the north. There are a good many freebooters, people who own small aircraft and who on occasion will take a flight up north looking for an Indian who is fishing.

When they spot one they will land and offer to buy his fish for which they pay cash. They take the fish and Shoal Lake Fisheries has to take a severe loss because it is not able to buy the fish that the company equips the Indians to catch. In addition, the company cannot collect any of the money invested in capital equipment.

There are other areas in which the department of Indian affairs has taken a different attitude. I have a letter here from which I should like to quote. It was written to the Ontario Development Corporation at Toronto by the president of Shoal Lake Fisheries Limited. The company is having a great deal of difficulty finding the necessary capital to expand because their accounts receivable are so great. This, in turn, is related to the fact they are unable to collect the money which they put out for equipment because they have not been able to get the fish which the Indians have been catching. The situation is simply this. They were advised by the department of Indian affairs to cease providing the Indians with capital equipment. The Indian affairs department claimed they would provide the capital equipment because they had funds put aside for this purpose. The letter reads in part:

> We would like to point out that this statement regarding the availability of funds is probably quite true, however, no one has advised the Indians nor our organization as to how these funds may be put in the hands of the potential fisherman.

Then the letter goes on to deal with a meeting held recently in Toronto. One of the local Indian chiefs, along with some officials from the Ontario Development Corporation, met with officials of the department of Indian affairs. I should like to read from the letter again:

> At this meeting Mr. Greene—

He is an Indian chief.

> —stated that he was unable to obtain government financing which would enable him to fish commercially.

That is the end of the statement. Chief Greene is a chief at the Shoal Lake reserve which is adjacent to Lake of the Woods. If I may, I should like to continue the quotation:

> If we discontinued advances completely, a number of Indians would not be in a position to fish commercially and again would rely on welfare funds (more readily obtainable than fishing equipment from the department of Indian Affairs), as a means of livelihood.

So there seems to be a certain ambivalence here in departmental policy. On the one hand, they protect the Indians in a certain area and they protect the fish production. They see that the Indians receive a just price. The department takes no loss. At the same time, they expose a private entrepreneur to all the risks in developing Indian fishing when he is at the same time helping the Indian. The company has to take all the risks and has no protection at all. It seems to me that this is the type of operation that the Indian affairs branch should step into. I agree that in many cases it is necessary for the department to educate the Indians in modern, twentieth century money management. At the same time, it seems to me unreasonable to discriminate against this company, the only fish processor in northwestern Ontario. I bring these facts to the attention of the minister respectfully in the hope he might look into them and rectify the situation. I think it can be done without too much difficulty.

There is another matter which I hesitate to raise because it is a very sensitive one. I certainly hope hon. members will not misinterpret what I am going to say now. This point involves particularly the town of Kenora which, as hon. members will recall, was the scene of an Indian march about two years ago. This occurred on November 15, 1965 and was the subject of my first speech in the House of Commons. Since that time Kenora has become an even greater centre for the Indians than it was before. I refer to the very difficult question of policing. The Indians treat Kenora much in the same way as people from other rural areas treat a big city. They come in and have a good time. This leads to certain consequences. In the wintertime the police are absolutely necessary to prevent the Indian people from dying of exposure. In summer the police are just as necessary. The Indians themselves have suggested that one way around the bind of policing costs would be for the Indian affairs department, in co-operation with the municipality, to hire Indian policemen.

Two things would be accomplished in this way. Attention would be directed to one of the problems and the town would be assisted in financing this project. The tax base of the town is extremely limited, so it does require some assistance in dealing with this problem. Since the Indians themselves have recommended this idea of providing an Indian police force, it seems to me that the Indian affairs branch would be well advised to investigate this suggestion to ascertain if some form of arrangement could be worked out. I think it has certain possibilities and I should

like to see serious consideration given to it. The problem the town of Kenora faces—

Mr. Schreyer: May I ask the hon. member a question? Can he tell us whether there are any Indians on the Kenora police force?

Mr. Reid: To my knowledge there are none. There was some talk, if memory serves me correctly, of an attempt to hire one some time ago. However, there was no one available who could take the police course. In all honesty, I think they are looking for some relief from the pressure of providing this assistance. They are also looking for some opportunity for the Indians to bring about improvements themselves.

• (5:50 p.m.)

The town of Kenora, the town of Fort Frances, the district of Red Lake and the town of Sioux Lookout all have serious difficulties in dealing with this problem because they are all urban centres for the Indians living in the neighbourhood. They do not have the finances to provide all the services required of them for the people living within their own municipal borders let alone deal with the problem they are facing as centres for a large indigenous Indian population.

However, these centres have been trying to make some progress and in the town of Kenora, through the facilities offered by the University of Manitoba adult education branch, the authorities were able to sponsor a series of ten lectures given by distinguished anthropologists and other experts on Indian affairs to explain to the people of Kenora, who have never faced this problem before, exactly what was going on, the type of cross-cultural conflicts that were beginning, why the Indian was as he was, and what were the possibilities for change. Much to the surprise of everyone concerned with the project the response was overwhelming. The sponsoring committee was caught without sufficient seats and without a sufficiently large hall a number of times.

The second thing they did was to set up a branch of the Ontario Alcohol Research Foundation which now has some very meagre facilities in the way of attempting to provide counselling and assistance to those Indians who run afoul of the juice of the grape. They have run into problems of financing and the reason for this goes back to the time of the march on the town of Kenora. Because of the confused conditions which existed at that time, a number of commitments were made without prior consultation with the proper authorities and the local people to their credit went ahead without getting formal written confirmation. As a consequence they arrived at a point where they had the facilities but did not have any money with which to operate them. They have had their problem solved for a year or two now, and I must congratulate the minister because his department is now providing more assistance than it did before. But they still have a problem in trying to deal with the situation as a whole.

Nevertheless, Mr. Chairman, progress is being made by the local association. We have in Kenora another institution known as the Kenora Fellowship Centre, though there is a drawback so far as provision of assistance from the federal government through the department of Indian Affairs is concerned in that it has the stigma of having a religious affiliation. I understand that the policy of the department now is that any body which has a religious affiliation is looked upon with very deep suspicion, and in the end result, generally speaking, any financial assistance given is very minimal or none at all. We are attempting to broaden the base of this fellowship centre. I believe its membership is 50 per cent Indian and 50 per cent white, and the church in question is the Presbyterian church.

I do not particularly like this policy of the Indian affairs branch in discriminating against religious associations in this way. The simple fact is that, while the House of Commons did nothing for the Indians for many years, it was the religious associations that almost singlehandedly provided any kind of services to the Indians. The House of Commons has now finally decided to look into the matter of providing some assistance but it is trying to sweep out the old crew with a new broom, and I think this is unfair. The department should be providing some form of assistance to the Kenora Fellowship Centre because here is a body that has been set up on a community basis without any assistance from the federal department of Indian affairs yet because it has a religious affiliation it is being discriminated against, and so far no assistance has been forthcoming.

I understand I have a few minutes left, Mr. Chairman, so I should like to say a few words about program 5. We have been able to utilize program 5 to a great extent in my constituency. While this has caused a great deal of discontent in certain quarters as well as a great deal of criticism, I think the over-all effect of the program has been most beneficial

both to the Indians and to the communities concerned.

In the first place it does away with a great deal of the discrimination the Indians have had to face in that the Indians are involved in this program along with other people. It has had a great effect in providing the Indian for the first time with a great deal of self-confidence. He has been able to go into the classroom and compete with white people and has been able to find out that he is their equal. While you and I, Mr. Chairman, may admit this, the Indian has not admitted it as a fact. I think he has always considered himself to be a little below the white man, so this program has had an impact in increasing his self-confidence. It has had an impact in making him aware that the world is a much larger place than he thought.

It has also provided the opportunity to help us integrate the Indians into our communities. Like all integration this will be difficult. There are a lot of rough edges and there will be many incidents. But it is coming, it is worth while, and I for one look forward to it.

I understand that the minister of Indian affairs will be coming to the Kenora area on August 19 to attend the centennial celebrations of the Indians who come under treaty No. 3 in northwestern Ontario. I am looking forward to welcoming him at that time, and I am also looking forward to introducing him to the many people who are engaged in these local community activities that deal with Indian affairs.

The other point I should like to make is that I understand that some time this month the department of Indian affairs is sending some senior officials to northwestern Ontario specifically to deal with those areas north of the lakehead. At this time I should like to request the minister to send those officials, if possible, to the Sioux Lookout, Red Lake, and Kenora areas where they will be able to see the pattern of Indian development in this part of northwestern Ontario. A great deal has to be done and a great deal can be done, particularly in the Red Lake area where there is a shortage of manpower for the gold mines in that vicinity. The Indians have been tried for this work and have demonstrated that they are satisfactory employees if provided with the necessary counselling services and housing accommodation. I think that this would be an invaluable experience for the minister's officials and it cannot help but improve the lot of the Indians in that area.

The Chairman: Order. 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.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles), Public Service—legislation to increase pensions of retired civil servants; the hon. member for Lotbinière (Mr. Choquette), External Affairs —establishment of new consulate closer to Florida; the hon. member for Bruce (Mr. Loney), National Health—construction at Wiarton, Ontario.

The house will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, public bills.

• (6:00 p.m.)

PRIVATE BILLS

UNITED INVESTMENT LIFE ASSURANCE COMPANY

The house in committee on Bill No. C-114, to incorporate United Investment Life Assurance Company—Mr. Wahn—Mr. Batten in the chair.

The Chairman: May I point out to the committee that this bill was amended in the standing committee and that the text of the amendment was printed in *Votes and Proceedings* of June 28, copies of which are available at the table.

Perhaps I should also point out that an error was made in the printing of the amendment in *Votes and Proceedings* of that date. At page 278, lines 13 and 14 following the heading "clause 8" should read: "the Company and so long as sections 16C to 16E of the said Act do not apply, then". I might add that I have checked this correction with the official amendment and it is a proper one.

On clause 1—*Incorporation.*

Mr. Peters: Mr. Chairman, I did not follow the wording of the change which has just been read but I presume it amounts only to a grammatical correction in any case.

We have had something to say about this interesting bill on several occasions. It appears to be the standard form of incorporation but I believe a great departure has been made in two or three different ways. We are dealing with a life insurance company and I am of the opinion that there is absolutely no need for additional life insurance companies in Canada. This opinion, I may add, is shared by many of my hon. friends. Therefore I think we might reach a conclusion simply on the basis of whether or not Canadian interests would be served by the creation of another life insurance company which would do nothing more than is done by any other such company.

One of my hon. friends on the committee dealt with this point at some length. He is much opposed to the creation of any new life insurance companies for the simple reason that they would serve no purpose and in many cases they would even be detrimental to the economy. Obviously, if the business is spread around somebody in this field will starve to death. If there are enough insurance companies, their agents selling insurance will not be able to make a living.

There is another aspect which we must take into consideration before creating new life insurance companies. As I told a friend of mine not long ago, the activities of such companies are more detrimental to the Canadian economy than are those of the banks. Some of these companies probably have more assets to distribute than one of the smaller banks in Canada. The money collected by them does not just sit in the treasury. It continues to grow and the expansion of these funds is formidable. The result is that unless we are totally committed to the free enterprise system—

Mr. Byrne: Hear, hear.

Mr. Peters: I can well appreciate that the hon. member would applaud in any case. The free enterprise system means to some that everyone is able to do everything he wishes to the detriment of himself and others. There must be some limitation upon the number of people engaged in a particular field or no one will be able to make a living from it. If belief in free enterprise means that everybody does the same thing, one is coming close to the communist philosophy.

This company, I understand, is not a normal life insurance company. It is being formed by an investment company which over a period of time has been selling mutual funds in a satisfactory way. At the present time United Accumulative Fund Limited which will own and operate this company possesses something like $300 million in assets. This makes it a sizeable enterprise, no matter how you look at it, not one of the shoestring type which believe they are going into the business to manufacture money as many of the promoters of small life insurance companies believe. This company has decided that while it is necessary for an individual to establish some sort of retirement fund for his future it is just as necessary for him to provide himself with short-term life insurance to cover the period in which his investments are not large enough to provide the result he wishes to achieve. It is said that on a short-term basis term insurance is the answer.

I am one of those who agree. I think it is safe to say that an insurance policy bought today will never produce the standard of living or the equivalent of the value of that policy at any other time in our history. Even the Minister of Finance would be hard put to answer if he were asked to say whether on a short-term basis $1,000 invested in an endowment policy today would ten years from now provide more money or less money or more purchasing power or less than the same amount at the time of investment.

• (6:10 p.m.)

People who bought $1,000 worth of insurance 20 or 30 years ago now find it has a purchasing value of only $400 or thereabouts. But the $1,000 that they invested originally formed a large part of their wages or other resources. In this respect this company has gone a long way toward solving a problem that has always concerned me, that of companies selling endowment plans without any stipulation to provide for escalation to meet increases in the cost of living. The federal government was not that foolish. When we passed the Canada Pension Plan we included an escalation clause to provide for increased cost of living. To my knowledge no insurance company does this, and this company in going into term insurance does not make such provision.

I have seen the figures and have been surprised at the amount of accumulated funds this company has in its mutual investment plan. There have been fantastic gains in the mutual field. Holdings in the mutual fund have increased substantially over the last 20 or 30 years. But if a person had invested in this mutual fund 30 years ago and died in the interim, his estate would not have received

the accumulated gains that otherwise would have been paid had he lived. I understand that under its mutual fund this company buys some 60 individual stocks and has been successful in protecting its investments, but it still sells term insurance to investors in the fund so that relief is provided investors' relatives if an investor suddenly dies.

This is a highly controversial field. I have received representations from insurance companies that are highly pleased about mutual funds being combined with an insurance company. I would agree with these representations if the insurance concerned was anything but term insurance. A mutual fund will rise and fall according to two principal factors. One is the business acumen behind it and the other is the fluctuation in the nation's gross national product.

Under the Ontario workmen's compensation plan 100 per cent disability compensation paid to a miner 30 years ago amounted to about $80 a month. Today that compensation is in the neighbourhood of $400 a month, but no provision is made to increase the amount according to the cost of living factor. Year after year the compensation board reports to the government without recommending any form of escalation with respect to the compensation paid.

Endowment policies issued by insurance companies do not take into account escalation in our standard of living. Term insurance protects only on a short-term basis. It is the type of insurance that a company takes out on a young executive, someone it hopes will make a contribution to the company. It is the type of insurance taken out on a partnership. In this respect the bill attracts my support. I am sure it will encourage other insurance companies to put escalation clauses in their policies.

There are other reasons which lead me to support the bill. One is the type of amendment that has been accepted by the company. It is in keeping with statements we heard last night when coming out of the N.D.P. convention which showed a growing interest on the part of many people in the necessity to have Canadian ownership and control of large corporations in Canada. This company has gone a long way toward satisfying the wish that I am sure all members of parliament have to see greater control of corporations fall into the hands of Canadians. The way it has done so is quite complicated and unique, but the company is to be highly commended for its effort to satisfy this aspiration of Canadians.

• (6:20 p.m.)

The people in this company with whom I have dealt are Canadians. They have agreed to accept the amendment. Although initially the money put up for this company will be almost 100 per cent American and will be supplied by a group called United Fund Management Limited, under the terms of the amendment after a period of 10 years voting control over the insurance company will fall into the hands of Canadian representatives. As I see it, it will mean that the control will remain with the Canadians who have bought stock in the company because the non-resident, be it a corporate entity or otherwise, will not be able to vote either by proxy or in person if the control is over 50 per cent.

I think this is a great step forward. I know there are many members on the other side who have not paid any attention to these insurance companies and in fact have paid no attention to private bills. It is my opinion, however, that some of the things which happen during private members' hours warrant a much greater degree of attention than they receive. I believe that the development and the future of Canada to a great extent are involved in many of the bills which are presented during private members' hours.

This company, being large and wealthy, apparently will be the kind of company in respect of whose operations we in Canada would like to have some say. We would also like to be assured that it will operate in the interests of Canada. In the main the sums of money which are accumulated by insurance companies are invested in the United States rather than in Canada. It is surprising that although many of these companies are Canadian their investment picture indicates that they are investing their money in the United States. Canada finds itself in the peculiar position of always having to have subsidiary companies enter the country. When they do so they bring in money which in many instances we have lent them from our own Canadian companies. They bring this money in to invest in our natural and other resources. At the same time we have no control or say in respect of their investment or the subsidiary nature of the operations.

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. gentleman but the time allotted to him has now expired. Shall clause 1 carry?

Mr. Schreyer: Mr. Chairman, the closing remarks of the hon. member for Timiskaming have given me an opportunity to make some further observations with regard to the incorporation of this insurance investment company and many others like it. During the course of the past few years, both in the federal parliament and the provincial legislatures, it seems to me that during private members' hour or private members' day, whichever is applicable, there has been a tendency toward the passage of more and more bills of this kind.

I believe many members would agree that there has been a proliferation of financial institutions in this country. Some will say, of course, that as our economy has been growing and developing it is the normal order of things to have an increase in the number of financial institutions such as finance companies, trust and loan companies, investment companies and the like as a means to provide some support for the development of our national economy. Surely, however, there must be some point at which it can be said with accuracy that the number of such institutions has gone beyond the optimum point. This is my distinct impression and I gather from the remarks of my colleague, the hon. member for Timiskaming, that it is his impression as well.

I do not believe that at either the provincial or federal level in this country there has been a definitive study of the number of such institutions which would be desirable. I realize it would be very difficult to ascertain just what the optimum number should be, but it seems to me we should make some effort in this direction. Otherwise we will just carry on passing the necessary private members' bills to incorporate an ever growing number of such firms. In the general order of things, when it becomes clear in the business and financial community that there have been too many incorporations, a process of merger and amalgamation then takes place. This is all part of the wheeling and dealing of the business world. Some of this is to be expected and perhaps some of it is even to be welcomed, but surely some of it does result in gross inefficiencies and affects the economic structure of this country.

With specific reference to Bill No. C-114, during the committee hearings the superintendent of insurance was questioned fairly closely by certain hon. members concerning whether or not the subject matter of this legislation was acceptable and met all the standard requirements and forms. It is rather interesting to read some of the evidence in this regard. We find in the minutes of proceedings and evidence of the committee on finance, trade and economic affairs that apparently the superintendent of insurance is of the opinion that it is a bit irregular to incorporate a life insurance company which will specialize in term insurance. It would seem that his opinion is that the record over the years has been a rather poor one in so far as specialized term insurance companies being able to maintain solvency is concerned. Yet in the end he offers the opinion that perhaps this company will survive or remain solvent, not because it is a specialized type of insurance company but rather in spite of that and because of the power of a rather large and well established parent company in the United States. I believe the name given here is Waddell and Reid.

I do not intend to say anything in connection with the relationship between the corporation seeking to be established here and the fact that it will specialize in term insurance. I wish, however, to make some reference to the fact that in the opinion of the superintendent of insurance this specialized insurance corporation can remain solvent because of its backing by a parent firm in the United States.

This leads me to make some reference to the foreign ownership and control aspect which is involved here. I think I must disagree a little with my colleague from Timiskaming when he offers the opinion that the amendment, which will be new clause 8 of the bill, will provide an adequate safeguard that the corporation to be established will ultimately come under Canadian ownership and control.

• (6:30 p.m.)

The effect of the amendment as I understand it is that the majority ownership will eventually come into Canadian hands, but that control of the company might not, because of the interconnection of the operating company, another holding company, and the corporation which would be established by this bill. While there may be even a large degree of Canadian ownership it seems very evident that the control will remain effectively in the hands of the operating firm and one of the intermediary holding companies for an indefinite period of time. That is how I understand clause 8. If I am wrong I would accept a correction.

A private member is really hard put to determine just how he should react to and vote on a bill of this kind. It would seem on

the one hand to be relatively innocuous or harmless to keep on incorporating an ever growing number of this kind of financial or insurance corporation. When one thinks about them one must conclude there is an optimum point beyond which we should not go in this proliferation. To go beyond that point would only serve to hurt the economy and increase the cost of essential production. They are not really the kind of organization that produces anything. They will eventually do nothing but increase the cost of providing a financial service.

In a way I was somewhat surprised that another financial concern should want to incorporate yet another life insurance company, particularly because of the reaction of life insurance companies to the recommendations of the Carter commission report. These companies were not in favour of being forced out of business, and their reaction to some of the recommendations of the commission report was so negative and reflected so much of the black side one would have thought we would never again see legislation through which groups of financiers were seeking to incorporate another insurance company. The reaction would indicate that these people felt it very unprofitable to implement the recommendations of this report.

I must also react somewhat negatively to one aspect of this bill because it appears that the people behind it are really seeking to use a specialized kind of term insurance as an ancillarly operation to their main operation of selling mutual funds, stocks or shares. It seems that this kind of operation is more of a promotional one, and one must wonder out loud whether this in itself is sufficient justification for granting incorporation through this bill.

Mr. Peters: Mr. Chairman, I have found a chart which indicates a point I was trying to make earlier. Before referring to it let me say that I believe the hon. member for Springfield is correct in his assessment of what this amendment does. The fact that Canadians may control 50 per cent of the stock of the company does not necessarily mean they control its operations. I know of some companies which have 90 per cent of their stock owned by Canadians, but their operations are not controlled by Canadians. I have heard it said that certain people who own only 3 per cent of the stock of a company control those companies. I do not know how they do this, or what is behind this type of phenomenon, but I know it can happen. Let me give one example. United States control of the stock of the Bell Telephone Company of Canada is very small, but this company is in some way interrelated with the Bell company of the United States. That company has manufacturing companies which serve identical purposes. The United States company does control the Canadian company, and the influence of the United States company is much greater than would normally be the case in relation to its holdings.

I have not yet learned how this situation can occur but I am sure there are members in this house who do know. They certainly are not going to tell us because it would not be in their interest to do so. I was always of the opinion that if you owned 50 per cent of the stock of a company you could control it, but obviously this is not so. They tried to teach me at the university how this situation could occur but they were not very successful. Perhaps I should enrol again to find out, but I am not really sure that one could learn by taking an economics course.

The hon. member for Springfield is probably quite right in that this amendment does not go as far as he would like, but even he, with his greater knowledge in this field, must agree that it has gone a hell of a lot further than the original bill. It certainly goes a lot further toward what we want to accomplish than the next bill on the order paper.

I also agree with the hon. member for Springfield that it seems strange to amalgamate a term insurance company with a life insurance company, hard pressed as these life insurance companies are today. Let us not kid ourselves, they are spending a lot of money in attempting to incorporate about 20 or 30 companies each year. If they keep this up we will not refer to these companies by their names, but rather by number, and we will have to add the letters of the alphabet to that reference before long.

This chart I have, put out by United Investments and dated March 31, 1967, points out that the purchasing power of a dollar had dropped by 20 points from 1957 to 1967. It also showed that during the same period values on the Toronto Stock Exchange climbed 90 points.

• (6:40 p.m.)

So we see there has been an increase in stocks, and I presume there is a relationship—although I would not hazard a guess as to how you calculate it or what it is—in the gross national product of our country and,

although perhaps even more remote, in our standard of living. The Toronto stock market figures indicate that this has gone up to 90. In March, 1967, this company went up to 160 points. It seems to me, therefore, that if the standard of living in any degree follows the increase in the Toronto stock market, namely to 90, the fact that this company has gone to 160 proves that it has been a relatively good investment. Also the purchasing power of the dollar going 20 points the other way has not been a good thing.

It is very interesting to study some of the tables put out by the company. The table I have in my hand deals with mutual investment funds over an eight year period to December 31, 1965. If you invested $10,000 in 1957, by 1965 you would have accumulated $26,700. I think this would be a fairly good type of insurance policy. It means that at the end of this period you would have accumulated almost three times as much as you had invested. I believe this is not unreasonable when compared with the increase in our standard of living.

This table also indicates that if you had invested your money in a trust company at 4½ per cent, by 1965 your investment would have increased in value tremendously. If you had invested $4,200 at 9 per cent interest—I suppose the 9 per cent applies to the mortgage and insurance field—at the end of the period your investment would be worth $20,000. Some very interesting conclusions can be drawn from the figures contained in this table. I must confess that I do not understand some aspects of the matter. However, if one had been born near the time of confederation, the table indicates that if you had invested $100 in 1871, by 1961 that investment would have been worth $325,000, and now it would be worth $360,890. I suppose this shows that our grandparents did not put their money in the right place.

I am not necessarily a proponent of mutual funds, but if the stock market, the standard of living and the cost of living continue to bear a relationship there is really no point in buying insurance. I have an endowment policy with an insurance company, so I know what I am talking about. You are as lucky as hell if you get your money back at the end of 20 years. The only way you can really win is by dying in the first year of the policy. If you die at any time later than this you have made a poor investment. I should have put my money into mutual funds some time ago, rather than into insurance. It seems to me that term insurance is for a person who wants to take a gamble on the cost of living, the standard of living and increases in the stock market. He would be able to gamble in this respect with short term investment.

There are charts here that I do not understand. Mr. Humphrys should explain some of them to us because I do not understand them all. For this reason perhaps I should not quote them, because we will all become confused. I quote from a table dealing with a yearly insurance premium of $45 invested at 9 per cent. This gives you the figure of $114 and a yearly cost of $160. It would give you, if you died at 35 years of age during the initial year, $10,000. Your accumulated value of the investment would be $125. Your total benefit realized on death at 35 years of age in the first year of the policy would be $10,125. The table goes on to show that at age 64 you would have $525 worth of insurance but you would have a total asset of $17,569. From then on you would pay no more money on the term insurance, but by the time you reached 75—if any of us are that lucky—you would have $43,982 to leave to your heirs, I presume, because most of us find you can't take it with you.

For these reasons this type of insurance policy lends itself to a great deal of consideration. The day should be here when every hon. member who has insurance is taking a look at that insurance. Since becoming interested in these companies I have realized that I have never been a financial success, because I bought this type of life insurance, which has no value. It has certainly been a damned poor investment. Unless I had died in the first year of the policy the investment is not really worth while. It is too late now to do anything about that, and I will be lucky to get my money back at the end of the insurance period. If the value of the dollar keeps going down I will not get a quarter of my money back. They have taken 75 per cent of my investment and I shall not benefit from it unless we have another depression; and none of us wants that.

Those members who are really serious about the proliferation of insurance companies will have to consider carefully this aspect of the matter in terms of what people are getting out of the insurance companies and how they are to get their money back. I do not mean how they are to get their money back in terms of dollars, because I am sure that if you buy an insurance policy worth $1,000 you will get $1,000 back, in terms of dollars. But if the dollar is worth only 50

cents you will not get back $1,000 in purchasing power but only $500. If the value of the dollar drops lower than 50 cents, you will get even less back, although in terms of actual dollars you will obviously get them back.

I do not know of any member of parliament who stood up in this house and opposed the escalation clause in the Canada Pension Plan. But this is really what we are talking about. Whatever money is invested by an individual, we want him to have the kind of retirement that the money would buy when invested. If you look over the history of the last 20 years you see that the insurance dollar is worth only about one third its original value by the time a person retires. The escalation clause in the Canada Pension Plan will prevent this situation developing.

I do not know whether the sponsor of the bill wishes to explain the other point raised. It is my understanding that the amendment will provide Canadian ownership, to a degree, over a period of time.

• (6:50 p.m.)

I was not so much impressed by the wording of the bill—because frankly the legal terms were not totally understandable to me—as by the fact that the officials of the company who discussed this matter with several of us were interested in establishing a Canadian company that would be working for the interests of Canadians. Obviously their interests were the same as were ours. Of course the conflict arises in that whoever has the money has the right of decision. However I believe this amendment will cover some of the points that I have been making and I hope it will receive the support of the committee.

The Assistant Deputy Chairman: I regret to interrupt the hon. gentleman but the time allotted to him has expired.

Clause agreed to.

Clauses 2 to 9 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Tardif): When shall the said bill be read the third time?

Mr. Peters: By leave, now.

Some hon. Members: Agreed.

Mr. Wahn moved the third reading of the bill.

Mr. Frank Howard (Skeena): Mr. Speaker, I rise now to speak on the motion. As a preliminary I should like to quote the words of the hon. member for St. Paul's (Mr. Wahn) spoken at the start of the committee proceedings. He said the following:

> Mr. Chairman, since this bill was given second reading in the house there have been discussions between the officials of the company and interested members with a view to adding to the bill a provision which is designed to assure a degree of Canadian ownership over a period of years.

Apparently that result is to be accomplished within a ten year period. However, I am speaking now in view of the fact that I was one of the members involved in discussing the matter of Canadian ownership of insurance, trust and other companies both in this session and earlier. I was one of those who entered into discussions with the officials of the company, although almost invariably in the past we have resisted the invitation of company officials to enter into discussions with them, because we consider that in Canada lobbying does not form part of our deliberative and parliamentary process and that in any event it should not be engaged in by a small number of people. In this case I was not referring in particular to the United Investment Life Assurance Company or its subsidiaries, but to other insurance or finance companies seeking to be incorporated. In view of the fact that my colleague, the hon. member for Timiskaming (Mr. Peters), I and others have over the years been in the forefront in promoting the concept of Canadian ownership, we have been subjected to invitations to meet privately with corporate officials and invariably we have resisted such invitations. In this situation the company officials came voluntarily to us to express their agreement with what we had said publicly, not to dissuade us from our course but to try to work in co-operation with us with a view to attaining what was our aim, which also happened to be the aim of the company. All this is now of course a matter of public record. I merely mention this to indicate that this is not a matter about which we are very happy, partly because of the aspect of lobbying although perhaps it was necessary in the circumstances.

It may well be that as a result of the consultations which have been held between the promoters of companies and members of the house who are not on the government side—because invariably in the past company officials have been in contact almost exclusively with the chairman of the committee,

who is a government member, or with members of the government party because they thought that this was the best way to attain their objectives—there will be a change in the rules and procedures of this house. It may well be that we are in the process of embarking on a new way of dealing with legislation.

The reason that I am making this point is that I was one of those involved in the discussions that led up to what I consider to be a desirable end, and therefore found it necessary to make this brief comment before the bill receives third reading.

Motion agreed to and bill read the third time and passed.

The Acting Speaker (Mr. Tardif): Order. The hour for the consideration of private members' business has now expired and the house will now resume the business which was interrupted at six o'clock.

SUPPLY

The house in committee of supply, Mr. Tardif in the chair.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

1. Departmental administration, $2,209,800.

The Assistant Deputy Chairman: Order. Since it is seven o'clock the committee stands adjourned until eight o'clock and I do now leave the chair.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Rynard: Mr. Chairman, I should like to ask the minister about the work that is being carried out by the Company of Young Canadians in the areas of the north. How many ventures or how many projects have they undertaken? I am asking these questions because of the many rumours suggesting that this group leaves a great deal to be desired. I am dealing with the matter now because this is one of the fields in which the Prime Minister felt the Company of Young Canadians would be very active and useful. I am a little bit disturbed because I have a report here which would indicate that perhaps they are not as useful as the Prime Minister thought they would be. The report reads:

> —an unkempt collection of youthful layabouts held a five day meeting. The 69 members who turned up for some or all of the sessions spent $4,738 on transportation alone; $226 on telephone calls and $3,930 on food and accommodation. All this produced not so much as a single report; the parliamentary secretary to the Prime Minister advised the house that none could be expected, although he believed a member of the staff had made some record of the sessions.

Now, Mr. Chairman, that is a very disturbing statement. I raise the matter also because of the cost. There are only 66 volunteers in this Company of Young Canadians, and that is 2,440 short of the number the Prime Minister expected. In spite of this, the estimates covering this group have gone up to $2,445,000. This is the amount that will be provided in the next year. I believe these questions deserve answers. What have they done in this department of young Canadians in comparison with the accomplishments the Prime Minister expected? Their figures break down to about $37,000 per volunteer, or about equal to a tax of 12 cents on every man, woman and child in Canada. This is not very good for a government that finds itself, in boom times, with one of the largest deficits ever faced in the history of Canada. This deficit situation is constantly eroding the fixed income and pensions of those who have retired. It is also increasing the cost of living, and now we have the highest cost of living in this country of all time, coupled with the highest taxes.

Perhaps there are other instances, Mr. Chairman, in which this company did not perform very well. Since we are considering the estimates of the Indian affairs branch, I should like to know just what functions this group performed and what the Canadian taxpayer is going to get for his $2,444,800. I should like to know also how many Indian hospitals are operating today, and how many are operated by the Indian affairs branch? Has there been a decrease? How many have been taken over by the provinces or municipalities? I should like to know, too, how many doctors are now employed by the Indian affairs branch and how great has been the decrease, if any, over the last few years?

Then, Mr. Chairman, I should like to know how many of these doctors operate under medicare plans, that is when they are outside of the Northwest Territories or in the provinces. Does the provincial hospital commission check the regulations of the hospitals under the Indian affairs branch.

• (8:10 p.m.)

I am also very interested in the government's educational program. Out of a total budget of $100 million, as the minister says we

are spending $47 million on education. Integration into the educational system is proceeding quickly. This is all to the good if the end results are proving fruitful. Indian children are attending school in my home town and are doing very well. I think it is very worth while to integrate Indian children with white school children in our town schools, with all the advantages of the generally superior facilities in those town schools.

I should like to know from the minister how many children are attending the primary and secondary schools. I also want to know the method of payment involved. Perhaps I should know the answer, but I do not know whether a per capita tax basis is used or not. I should also like to ask the minister whether any Indian reserves have been sold outright or abandoned, how many have been put on a long term lease and what properties have been leased across Canada by Indian reserves. I ask the minister what part his department has played in these negotiations. Does some body or company who wants to develop the area deal with the Indians directly and, if so, what part does the department play in those negotiations? It is important to see to it that any deals that are made are equitable and the money properly invested in securities.

I should also like to ask the minister whether the department has made an assessment of how many Indian reserves on islands are close enough to the mainland for it to be practical economically to build a bridge or causeway to the mainland. I have spoken to the minister about this matter before, and I should like to give him a case in point. I have in mind Christian island, which is a mile and a half across from the mainland. The deepest point in the channel is approximately 17 feet. This island is about seven miles long. Many school children come across to the mainland to attend secondary school at Midland and Penetang', and they cross by boat. In the stormy part of the year and when the lake is frozen over it is difficult to get across for about a month. Not only that, Mr. Chairman, but often they have to stand on the wharf and wait for the boat morning and night, and it can be pretty cold.

Has the department looked into the economic aspects of this situation? I expect the costs would be shared, because the provincial government has already installed hydro and there is a radio telephone system on the island. Many properties on the island have been rented, but the only transportation to the mainland is by the boat *Hooey*. As the number of cottages on the island increases the situation worsens, and on many occasions the boat is loaded and people wait on week ends. Roads are being built on the island so there will be cars taken across. These cars have to be ferried across by scow.

At this point I should like to congratulate the minister on being someone you can talk to, who will listen to your argument or the point you are raising with him. The minister pays the most careful attention and I congratulate him on this. I realize he has a big department to manage. I also know that ten years ago the provincial government and federal government both said that in another ten years a bridge or causeway to Christian island would be feasible economically. Boom times have been prevailing ever since, so I should like to know what both these governments have in mind in this regard and particularly this government, as they have the administration of the island.

I should like to explore this matter a little further by asking the minister to look into the economics of the situation. What does it cost to keep this boat in service and to keep it manned? What is the cost of maintaining the facilities at Cedar Point? For years a new dock had to be constructed every second year or so, as the minister will discover on looking over past estimates, but about seven to eight years ago the government headed by the present Leader of the Opposition constructed a dock with a proper breakwater which has proved to be trouble free. I should like to know what could be gained by building a causeway and opening up the island in that way. As I say, houses on the island are being rented so some sort of policy must have been set. If we are going to continue to use the present dock, let us utilize it to the full, which may mean additional costs in facilities.

I realize that the minister will have to consult with the provincial government before he can give me an answer, but if he follows his general practice I will hear from him during the next month whether this project is economically feasible. As I say, I have raised the matter before and both houses indicated ten years ago that such a project would be feasible in ten years time. In the meantime there has been great growth and I should like to know whether they feel this project can now go ahead.

If it is proceeded with it would be of great advantage to the Indian children. They would get to school more easily. At the moment the buses wait at Cedar Point, being parked out

at night and having to start cold in the mornings. These Indian children do not find it easy to reach school and I know that the minister would like to help them in whatever way he can.

The minister has mentioned integration of Indian children, which I am sure is a wonderful idea. However, I was a little puzzled by a report I saw in a Toronto newspaper one day which indicated there might be 15,000 Indians in that city who were experiencing difficulties. They were not being assimilated into the community, but sticking together in their own groups. Just last week an Indian girl was strangled to death in a certain part of the red light district in Toronto—that is, if they have a red light district; I do not know whether they admit to that or not. But if it is true there are 15,000 Indians in Toronto many of whom are not being assimilated and looked after properly, then what is to be gained by taking these Indians from their reserves and placing them in a society in which they do not mesh?

I should like to know what the minister has to say on this score because I think it raises a very important point. It is not good enough to take Indians off the reserves or encourage them and send them to our big cities where we let them disintegrate morally and socially. I cannot vouch personally for the truth of this story, but it was in the press and perhaps the minister read it, and generally when there is smoke there is fire.

I should like to dwell for a few moments on the restoration of Cahiague in my area which is situated in the neighbourhood of Warminster. The minister has been very sympathetic to this project, but I understand that it is not going ahead very quickly this summer. A lot of work has been done by Professor Emerson in the past. The northern end at Martyrs Shrine has been developed and hundreds of thousands of dollars spent. I was there last Saturday and saw that the whole Indian village has been restored. Yet I am told that Cahiague in former times was a bigger Indian city—if they called them cities—than Fort Ste-Marie.

• (8:20 p.m.)

I am all in favour of what has been done at the shrine. I wish to congratulate all parties concerned, including the provincial government and the federal government which did play a part in this restoration—the Department of Public Works dredged the river and gave other help. However, I suggest the minister should consider once again the position of some of these historic sites and ask himself whether we should not be doing something more than is being done at present. The hon. gentleman has probably studied this question and is as well aware of these things as I am. He knows that this area is rich in historic value—rich in the spiritual values of yesterday. The Jesuit priests came to this area—Father Caron was among those who came up with Champlain—and it was here that every one of those Jesuits that followed him paid the supreme sacrifice for their Christian ideals. It was to Christian island that these people fled—I think there were only 29 of them left after the Iroquois attacked and slaughtered most of them. I should like to see further attention paid to this site because I feel our efforts are probably lagging behind here.

In closing, let me say I realise there are differences of opinion with regard to the way in which Indian affairs should be handled. It is true one can take Indians from the reserves and settle them in the big cities. But what is the use of doing this if we—and they—lose sight of the very reasons for which they were moved into the cities.

In conclusion, I should like the minister to turn his attention to the matters I have brought up. He has always done so in the past and I hope for an answer from him either this evening or in the near future.

Mr. Roxburgh: I simply wish to record in *Hansard* a very special event which took place last Friday, June 30—the presentation of a piece of true Indian pottery by Mrs. Oliver Smith of the Six Nations Indian Reserve at Ohsweken in the County of Brant to Her Majesty the Queen of Canada. In return, Mrs. Smith was of course received by Her Majesty. What greater honour could anyone, any nation, receive?

We who know these true Canadians and live near them are greatly honoured and privileged to have such a lovely lady as Mrs. Smith, who comes from the historic Six Nations Reserve, represent us on such occasions.

I should like to add a piece of information, which possibly few members have heard. Mrs. Smith, who represented us in presenting this piece of pottery, is none other than a sister of Tonto, that great television star. Might I also add that her very lovely daughter, an educated daughter who has taught school, won the Miss Ontario beauty contest a few years ago.

Some hon. Members: Hear, hear.

Mr. Roxburgh: Mr. Chairman, the Indians of the Six Nations form one of our most progressive groups of true Canadians in educational and cultural matters. We call to mind such names as the Andersons—incidentally, the present chief is an Anderson—the Jamiesons, the Montagues, the Montures, the Kings, the Moses, the Hills and many others. Last, but not least, we think of the Longboats and of that great distance runner Tom Longboat who made a name not only for his nation but for Canada.

A few moments ago I said the Six Nations represent advancement. Let me add that they do not forget the past—and it is most important that no nation, no people, should forget the past, because if they do they have no guide by which to enter the future. They produce a pageant every autumn, acting out the history of their nation and of Indian life in a natural setting of water and trees. Hundreds of people attend this colourful program each year, leaving with increased knowledge of the Indian people and their ways. But to me, and I am sure to the Indians, most important of all is the fact that in performing this pageant they are keeping before their children, and future generations of their people, the wonder of their ancient history and culture. May it last for ever.

Mr. Johnston: I should like to raise a point which I believe has been brought up annually for some years—I recall my hon. friend from Cariboo drawing attention to it last year. I refer to the tax imposed on those who have to enter national parks for business purposes, not intending to spend time in the park, as a park.

A toll station has been set up on the trans-Canada highway in British Columbia and a toll is charged, ostensibly for admission to the park. Admittedly one payment is good for entering all the national parks in Canada for the rest of the year in which it is made. However, this is not of much use to a member of the public whose travel in a national park has been undertaken for purposes not at all concerned with the park itself, and who would not be visiting any of the other national parks during the course of the year.

• (8:30 p.m.)

It seems to me there is an injustice here and a principle that is being violated. There is taxation of a section of the population with nothing given in return. The problem has been heightened by the fact that the commission on redistribution, in a complete lapse of good sense or reason, put together my constituency and that of Kootenay East to make a new hybrid called Okanagan-Kootenay. The main bodies of population lie at opposite ends of the new constituency. The meeting point for these two groups of people must be half way between them, and that makes it the town of Golden.

All of the political parties in the area are in the course of reorganizing constituency organizations. This means that during any given year hundreds of people from all the varied political parties—and they are all represented in that region—will make the trip to Golden for purposes that have nothing to do with the national park through which they travel. Yet they will have to pay the toll, and coming as they do from the park-like beauty of the Okanagan it is quite possible they would not feel the urge to visit any other national parks.

I wonder what is the revenue obtained through this means and whether it is not within the capability of the department, so ably served by the minister, to come up with some solution that would separate park visitors from people just using the trans-Canada highway. In our literature on the trans-Canada highway we boast that it is toll free, but at that point in British Columbia it is not. This fee becomes for many people a toll to use the trans-Canada highway and not a toll to visit the national parks of Canada. I submit that legitimate park visitors should be separated from people who have to travel this route by necessity, or else the tax should be applied evenly across the country, whereby $2 would be collected from all automobile users and applied to the upkeep of the national parks. I think some equitable system could be worked out by which this toll could be removed from people who have to use that highway for purposes other than visiting this national park.

Mr. Fawcett: Before dealing specifically with Indian affairs, Mr. Chairman, I would like to say I think the minister should be commended for what appears to be a much more realistic and reasonable approach to the whole problem of Indian affairs than we have witnessed for a good many years. From the numerous press releases and circulars that cross my desk, it seems to me the minister is very interested in his department and is trying to do a good job with the means available to him. I have just one question I would like him to answer later, and it concerns the integration project at Elliot Lake.

It was decided to open up about 20 of the abandoned houses at Elliot Lake and move some 20 Indian families from 200 miles north of Sioux Lookout into them. I understand the men of the families were given $15 a day to cover expenses for themselves and their families while they were sent to the school of continuing education at Elliot Lake, in order to gain technical and vocational training of some sort. I am not sure how far this project has moved along and I would be very interested to know whether it is meeting with success, because I understand it is one of the first attempts to integrate Indian and white populations.

There is one Indian reserve in my riding. I spent some time there and was astounded to find that only about half of the homes on the reserve were being occupied. I am speaking of the Mattagami Indian reserve, about 24 miles north of the Canadian National main line. The Indians told me one of the reasons they were moving out of the reserve was lack of facilities, particularly lack of a decent road to get into and out of the reserve.

There was a serious problem in the winter months if anyone on the reserve got sick. I believe at one time the provincial department of lands and forests kept a road clear during the winter months, but then its efforts slackened. In fact it stopped plowing the road for a time, and the only way the Indians could reach outer civilization was by snowshoeing out to the village. However, an arrangement was made between the Indian agent and the provincial department of lands and forests as a result of which the department agreed to keep the road cleared. But this is not an easy proposition, and in times of bad storm it is not unusual for this little community to be isolated for two or three days.

When there I also inquired about the financial status of the Indians. Those best off made around $1,200 a year, and over all their annual earnings varied between $600 and $1,200 a year. Naturally they were having a difficult time getting by. It is an area where groceries and other things fetch high prices.

At one time it was a good trapping area, but as most hon. members know, trapping today is not a very profitable enterprise. As a result these Indians are in a precarious position, particularly during the winter months. Their houses, in effect only shells, are in a deplorable condition.

Some of the Indians have moved into the nearby village, where they have obtained employment, are doing reasonably well, and have integrated to a reasonable extent with the white population. I inquired what they thought was the best solution to their problem. They said they felt they were being discriminated against, and felt that employment could be found for them in their natural environment up in the north woods. They were a little dismayed that the provincial department of lands and forests were using students, and what I believe are called junior rangers, during the summer months to clear out parkland, of which there is a considerable acreage in the area. They felt this was an area where they could definitely do just as good or a better job. They also believed it would help them solve the financial problems. I realize this is a matter which would have to be worked out in conjunction with the provincial government, but I believe it is something worth looking into.

• (8:40 p.m.)

My colleague, the hon. member for Springfield, mentioned the matter of guiding. Any of us who come from the northern part of any province realize that guiding can be a quite profitable means of employment. I believe it is regrettable that something is not done to ensure that any party going into the woods must be accompanied by a guide. Here again I understand that this is something which has to come under the jurisdiction of the provinces. I think, however, it should be pointed out that any party which goes out with an Indian as a guide does not leave a forest fire behind when leaving the woods. I think this also is something well worth considering.

I was quite interested to read a press release in the Toronto *Globe and Mail* dated February 20, 1967, wherein it is reported that the minister stated that 215,000 reserve Indians would be given their emancipation, as he put it, under new legislation which would be brought out by his department. I am wondering how this is progressing and whether it is feasible.

I believe it was the hon. member for Peace River who made a statement with which I agree very much. He said that you cannot adopt an over-all policy for Indians in general, but that each area must be dealt with on the basis of what is required in that particular area. I believe this is quite evident. I have received correspondence from Indians in various parts of Ontario and of British Columbia, and it would seem to me that the problems in one area do not apply in so far as another area is concerned. What we must

realize more than anything else, I believe, is that it is necessary to place ourselves in the position of the Indian, so that we will understand his thinking. After all he is being subjected to our rules and regulations with very little say in regard to how they affect his destiny.

I believe the minister's idea of giving self rule to the Indians, if it can be carried out effectively—and I realize this cannot be done overnight—would be one of the biggest steps forward, because I think it is the only way the Indians will eventually integrate with the white population and become self sufficient citizens.

Mr. Chairman, I do not intend to take up very much more time. In passing I should like to say I was quite impressed by the remarks made by the hon. member for Kenora-Rainy River prior to the supper recess. Having been in that area I realize the great problem there. I should like to commend him for his very forthright statements in connection with the problems, and also for the comments he made with regard to the manner in which he thinks these problems should be handled.

Mr. Noble: Mr. Chairman, I promise to be very brief. I should just like the minister to clear up something concerning which I attempted to obtain an answer the other day. During his term of office has he taken any initiative in the development of a national park in Ontario. Surely he must realize there is a great need for a national park development in this province. We have here a concentration of industrial workers who in ever increasing numbers will be in need of much more recreational and park accommodation in the years ahead.

Does not the minister think that no time should be lost in acquiring and preserving for posterity some of our Ontario wilderness areas, which are disappearing at a rapid rate. In these areas our many species of wildlife might have a haven suitable for their continued reproduction. A sizeable national park in Ontario would bring big dividends for time unlimited.

Mr. Howard: Mr. Chairman, perhaps the debate at this time on Indian affairs at least, which is the subject matter in which I have a stronger interest than some others which come under the minister's jurisdiction, may be rather futile and simply a bit of an exercise. I say "futile" in the sense that such a debate may have little opportunity to influence government policy which, I believe, is the prime purpose of debate. It also may provide little opportunity for public expression of some of the feelings which the native Indian people have about their own destiny and the activities of the government.

One of the matters which has interfered with an opportunity to go fully into the matter of Indian affairs in any great depth has been that of time. If we harken back just a few years I believe we will see that over the last three fiscal years, including this one, there has not yet been an opportunity, at least that was realized, to go with any great detail into the matter of Indian affairs and government policy. In 1965 there was not much opportunity for debate, because that was the year in which we had a summer recess of parliament, with the promise that the estimates would be considered in the fall of that year. Instead of having the estimates we had an election, which interfered with any orderly consideration of matters in parliament.

The estimates in respect of the expenditures for 1965 really were considered retroactively, or after the expenditures had been made and at a time when we were in a new session to concern ourselves with the spending program for 1966. During the last session the estimates of the Indian affairs branch were referred to a committee. That committee made what I considered to be an extremely wise decision. It expressed the hope and desire that very soon the members of the committee would have an opportunity to visit Indian communities and the Indian people in order to examine at first hand as much as they possibly could the situation in the Indiar communities, and in order to have an opportunity to speak intimately with the native people with regard to their feelings concerning Indian affairs.

• (8:50 p.m.)

We have gone over this ground before, but I want to mention only briefly in passing that for one reason or another the committee found itself frustrated in its desire to carry out what is conceived to be a legitimate undertaking. The first thing that happened was that the committee decided it would be advantageous to break up into subcommittees, allowing easier handling of the situation and more visits to more communities. Accordingly a report was made to the house, but somewhere along the line there was a substitution by government in respect of committee authority, disallowing the subcommittees.

Last year in the fall, when the committee finally got around to meeting, tentative arrangements to visit a number of Indian communities were made. One community was in Quebec and the others were in the southern part of Ontario. It was found then that an insufficient number of members expressed a desire to make the visit. Consequently they could not be made because of a lack of quorum, and they were cancelled.

This cancellation caused a tremendous amount of ill feeling on the part of the native people in the communities to be visited because the advance arrangements which had been made were cancelled. The committee then came back to the house and asked again for authority to divide into subcommittees. This authority was forthcoming and the subcommittees did visit the Indian communities of Caughnawaga and St. Regis. I might add that prior to this, members of the committee had travelled to meet with the provincial advisory council, or board, of Ontario. Subsequent to the visit to Caughnawaga the committee laid out a tour of some of the communities of British Columbia, but this trip was cancelled. I might add that in conjunction with the British Columbia trip it was planned that some of the committee members en route to British Columbia would take the opportunity of stopping in Winnipeg to hold a watching brief in an Indian-Metis conference there.

These proposed trips were beset by obstacles, and the end of the session arrived. Because the committee early in the session last year conceived the idea of making visits to Indian communities in order to obtain an assessment of Indian affairs, it was decided to give only a scant or cursory examination of the estimates. Accordingly it reported the estimates to the house, where they were considered very briefly. Last session a time factor militated against any examination in depth of Indian affairs. During this session we are faced with the rules which impinge upon our consideration of these estimates. I am not complaining about these rules as they were agreed to by the house; nor am I trying to be objectionable in what I am saying. I am trying to make what I consider to be a factual statement, indicating that during this and the past two fiscal years there has been no opportunity to go into a detailed examination of Indian affairs.

To that extent I suggest that we may well be indulging in a futile exercise in attempting to influence government policy in respect of Indian affairs. That should be the purpose of our debate; that is, to put across a point of view in the hopes that it will be accepted. It may well be that we are engaging in an exercise of futility because at least a part of the debate in parliament should reflect public thinking. I am rather inclined to think that this parliament is behind the times in trying to reflect the thinking and feelings of our native people in relation to government policy.

The minister in his opening remarks on June 9 pointed out that perhaps the salvation of the Indian people rested in the hands of those of the younger generation, and I think he made mention of the age of 26 years. It is true the wealth and progress of any group rests in the hands of youth because our future leaders come from that group. The younger people among the native population are of a different sort than their parents or elders. The older Indian people were more gentle, trusting and more resigned to accept their lot and position. Speaking in general terms, the older Indians expressed their dislike for government policy by ignoring it. In other words, instead of attending meetings for the purpose of discussing certain matters which might influence their position they avoided them. They showed their objection by non-participation.

As I say, younger people have a different concept and philosophy. They have been struck by the situation which exists in societies outside the Indian community. As a result of education and participation in the armed forces during the second world war, coupled with greater mobility, these young people have been able to travel, even with their limited resources and incomes, and have found out what is the situation in society outside the reservations. They want to know why there is this difference, and the answers they receive are not satisfactory. These people are very dissatisfied because of this new knowledge, coupled with their understanding of the history over the past decade of deceit on the part of non-Indian explorers and governments. I am sure the minister will not disagree that in years past there has been a great deal of mishandling of the rights of Indian people. Because of this history and the knowledge that they have been unfairly treated at the hands of non-Indians our Indian communities are becoming discontent. As a result they may take stronger action than we would like to see.

We must recognize that forces of discontent exist in these Indian communities, and these

people are beginning to discuss how they can use their strength to gain what they consider to be just and right.

• (9:00 p.m.)

Practically every day in the past few years they and we have been able to read about the civil rights movement in the United States, which is a movement on behalf of a group of people who are distinct because they have skin of a different colour from ours. The native Indian has an affinity with them in that regard and in regard to the matter of fundamental rights. I hope we can overcome the combination of these two forces by exhibiting conscientiously and deliberately in every program of the government, by example and precept, the fact that government, government forces, parliament and the non-Indian community has respect for the native Indian people as a group and as individuals. I hope we can exhibit attitudes that will beget trust on the part of the Indian people toward government policies. I hope we can convince them that we will honour all the dealings that take place with their peoples.

It is no good engendering this trust in just one, two or a dozen instances. It must be a persistent, deliberate, conscious policy carried out at all levels of government and in all dealings that government has with our native people. It will take a period of time to overcome the inheritance the Indian people have in so far as their dealings at the hands of government and non-Indians are concerned.

Mr. Chairman, I might mention a few things in this regard to indicate, at least in so far as an assessment of this matter by the native people is concerned, where there is or has been a lack of openness and trustworthy dealings. Some time ago when the minister's predecessor was in office he announced the formation of an interdepartmental committee to deal with hunting, fishing and game rights of the native people. This was the result of persistent questioning in the house by members following the decisions made in connection with the Migratory Birds Convention Act, and a few other court cases of that sort.

When the announcement was made about the establishment of this committee the general understanding of the native Indian people was that the committee would be able to come up with some recommendations and suggestions as to what should be done. The minister at one stage when I inquired into this matter said the policy of the government was to let the courts—I am paraphrasing what he said—delineate the areas of dispute; in other words, let the courts make the decisions for or against the native people on hunting and fishing rights in respect of whatever instances were brought before the courts. This supposedly would give some guide line to government, which could then act upon the decisions made by the courts. The government could then see what legal impediments might exist in the way of doing something to cope with the disgruntlement of the native Indian people over loss of their hunting and fishing rights.

It is the minister's responsibility and duty, if he feels it is in the public interest, or for some other reason, not to make public that report of the interdepartmental committee, even though the minister said a précis of the report would be prepared and made available to all hon. members. I have been away from the house for the past week, but I do not think it has yet been prepared. In any event, this is the sequence of events: First, there was the announcement that this matter would be dealt with by an interdepartmental committee; then there was the announcement that the report of the interdepartmental committee would not be made public, and then the declaration that the courts would make decisions that would lay out the areas where disagreement might exist. This has all built up in the minds of a number of native Indian people with whom I have spoken and who have been watching this matter with some interest the understanding that once again government has not been true and faithful to them.

I am not saying that this is in fact the thought in the mind of the minister. I am sure it is not. But I tell him this is the thought in the minds of a number of native Indian people. This is what should be paramount and what should motivate our efforts in doing all we can to assist native Indian people. We must exhibit to them the full degree of respect that is necessary and show them that we are trustworthy in our dealings. That is just one example, Mr. Chairman.

Another example involves my own province of British Columbia. There not too long ago the minister of municipal affairs, Mr. Campbell, announced that the provincial government was desirous that Indian reserves should become municipalities, and he hoped that one of the Indian communities in his constituency of Campbell River would become the first Indian community to become a municipality. This on the surface may sound good, but in fact in so far as British Columbia is concerned it could very well mean that any Indian band which decided to

become a municipality would lose every inch of its reserve land. None of them want to do this.

A few years ago there was a move by the Metlakatla people, near Prince Rupert—this was 15 or 20 years ago—to become a municipal structure under the laws of British Columbia. I ask the committee to remember that the Metlakatla people still feel the influence of Mr. Duncan, a missionary who was sometimes rather brutal and cruel in his dealings with native people but none the less had an influence upon them which exists in large measure today both amongst the people in Metlakatla, British Columbia, and their brothers and cousins in Metlakatla, Alaska. They desired to become a municipality. One of the difficulties that arose was that if those people became a municipality they would become enfranchised as a band under the Indian Act; in other words, they would lose as a band, and each individual in it, status as an Indian within the meaning of the Indian Act.

• (9:10 p.m.)

The minute that came to pass, the provisions of an order in council passed by the provincial government would come into play. This is the damaging part. I should like to make reference to order in council 1036 made July 29, 1938. It is still in existence. The members of the executive council in attendance at that cabinet meeting and who made this order in council were Mr. Hart, Mr. Weir, Mr. Wismer, Mr. MacPherson, Mr. MacDonald and Mr. Pearson. That is not our Prime Minister but a gentleman who used to be the minister of labour of British Columbia. This was at a time when a Liberal government was in office in British Columbia under Hon. John Hart. This order in council relates to the land question in British Columbia, which still has not been solved. It points out that certain lands set out in the schedule to the Indian affairs settlements act—and the lands are the reserves which were set up at that time and which still exist except those parts which have been sold or surrendered—would be conveyed to the federal government to be held in trust for the native people. This was subject to condition, and the important part is that this is made subject to the condition that in the event of any Indian tribe or band in British Columbia at some future time becoming extinct, any lands hereby conveyed for such tribe or band and not sold or disposed of as heretofore provided, or any unexpended fund being the proceeds of any such sale, shall be conveyed or repaid to the grantor. In other words, if an Indian band—and let us remember that the word "band" is legally defined in the Indian Act, and not a hereditary concept of a political or social unit of Indian people—becomes extinct, the reserve lands which it held previously revert to the provincial government. The two lawyers with whom I have discussed this matter, one of whom is very learned and knowledgeable in the field of Indian affairs and land titles, are of the opinion that if an Indian band becomes enfranchized, it then becomes extinct as an entity under the Indian Act and its reserve lands go back to the province. This was the barrier that prevented the people in Metlakatla some 15 years ago from becoming a municipality, the barrier being that the provincial government in Victoria, when Mr. Bob Sommers was the minister of lands and forests, refused to give up its authority, which it relegated to itself under this order in council, and refused to give up its rights to the reserve lands. So the Metlakatla people, who were desirous of becoming a political unit in British Columbia, found that if they decided to make any progress whatever in their political structure they would lose their reserve lands.

I submit that the same situation exists today. When Mr. Campbell, our minister of municipal affairs, starts speaking about the desirability of the Indian bands in British Columbia becoming municipalities, the native Indian people who know of this order in council and who have concerned themselves about the land problem in British Columbia for more years than I have been alive, say to themselves "You are not speaking with a straight tongue, Mr. Campbell, because you are asking us to become municipalities, and if we do so, the land that we now hold as reserve land will end up in the hands of the provincial government, plus the money from the proceeds of the sale of that land."

This is another example of the type of government pronouncements which are not backed by an honest and faithful declaration, which makes the Indian people sceptical of government dealings. The British Columbia Indian reserves minerals resources act, an agreement entered into by the government of Canada and the province of British Columbia in 1943, and endorsed by a statute of this parliament, is another example of bad faith on the part of governments. That act still exists on the statute books.

I gave two or three examples to point out that not only must the government declare, as the minister has done on a number of

occasions, that it is the government's intention to act honourably and faithfully and to develop a trustworthy relationship between the Indian people and the government of Canada, but must support such a declaration by action. Where this is not so, words become futile and will not have the beneficial influence that they should have in developing a decent rapport between the government and the Indian community.

There are many other items with which I could deal if I had the time to do so. I will only say that this is the third year in a row when parliament has not had the time to examine Indian affairs in any depth and to engage in a debate by an examination of the department, by making proposals and hearing the minister's comments and views regarding the merit of any proposal. My understanding of what parliament is doing with respect to the estimates of this year, is that we have three quarters of an hour left in this session to deal with the estimates of the department.

The committee on human rights and Indian affairs, which it was hoped last year would have some really worth while work to do, has not even been called together in this session. There was no effort made on the part of those who may have been nominated for office to call the committee to consider what we might do. It is too late now. This part of the session is almost at an end and we will have to wait until September or October before the committee can be called together.

May I say again in closing that there are too many examples of untrustworthy and unfair decisions which do not jibe with the laudatory statements made by the government concerning the work done in this field, and unless the two are put together we will not get too far in promoting and advancing the cause of our native Indian people. In fact that task may well be taken out of our hands by the native people themselves, because at the present time their mood is one of rebelliousness.

Mr. Bower: Mr. Chairman, tonight I should like to bring a point to the attention of the Minister of Indian Affairs and Northern Development which I brought up in the last session but with no positive results whatever. However I wish now to repeat, and I am sure the people of my consituency expect me to repeat and to keep on repeating, the plea that I am about to make. I refer to what I may call a deficiency or insufficiency of parks in my area in western Nova Scotia. I know that hundreds of thousands of Canadians and Americans know of our famous Cape Breton Highlands national park. The spectacular scenery and the breathtaking beauty of that park is renowned. I can safely say, moreover, that it has been a self-liquidating concern.

Tourism in Nova Scotia is second only to the fisheries in importance. And certainly the Cape Breton Highlands park has aided and fomented the tourist business. The Cape Breton national park is in the extreme north east of the province. Until a few years ago there was no park whatever in the western part of the province, where tourism plays a significant part in our economy; but about four years ago the government laudably decided to establish what was first known as the Western Nova Scotia national park. However, the fact that it does not extend into the west end of Nova Scotia may be one of the reasons why it is now called the Kejimkujik national park. Contiguous to the Kejimkujik park, which is located more in the central part of Nova Scotia than in western Nova Scotia, is an area known as the Tobeatic game sanctuary which is on provincial crown land. I believe, and the people of my constituency believe, that Kejimkujik park should be extended to include the Tobeatic game sanctuary area. I realize that part of the Tobeatic game site area is leased and is under active exploitation for pulpwood but that area could easily be left out. The rest of it should be included in the park so that the western part of the province does have the benefit of a national park.

• (9:20 p.m.)

The present Kejimkujik park entrance is 150 miles away from the western end of Nova Scotia and under those conditions is not the magnet for tourists in western Nova Scotia it should be. Kejimkujik therefore does not serve as fully as it might as a tourist attraction. However, with the extension westward to include the Tobeatic area, it would serve that purpose. All that is necessary is to extend the existing roads from Shelburne, Yarmouth and Digby into the western end of the Tobeatic area. Kejimkujik at the present time, I believe, is considered of minimum size for a national park, but with the extension I recommend it would be of adequate proportions.

If western Nova Scotia does, as we hope it will, receive its share of secondary industry, then an adequate area for recreation would be desirable, quite aside from the attraction for tourists. I ask the minister to study with me a map that has been prepared by interested people from my constituency showing just

how this could be done. I feel federal assistance could be given, as was done under the roads to resources program for the development of access roads to the area. I might add further that these roads could traverse the province connecting to the west end of the enlarged national park, and they would also serve for the transport of produce from the Atlantic shore to the bay of Fundy and to Digby.

According to an answer recently given in the house by the Minister of Transport, an adequate ferry service is soon to be developed from Digby to Saint John, thereby connecting that whole area of western Nova Scotia to the trans-Canada highway and the railroad systems into central Canada. There is another purpose that a road system I suggest would serve, and that is the development of access to an emergency airport for the Yarmouth international airport on the occasions fog prevents landings at Yarmouth.

This has to come or we will be subjected forever to a very second rate type of air service. I realize that some of these features pertain to other departments, but they are part of a package job. I ask the minister to consider this matter seriously. I shall be very willing to co-operate with him and to show him the maps to indicate how this proposal would benefit the constituency.

[*Translation*]

Mr. Gauthier: Mr. Chairman, without taking too much of the time of the committee, I do not want to miss the opportunity to draw to the minister's attention an area in my riding, Pointe-Bleue, with which the department is now concerned.

The minister is aware of the current projects in Pointe-Bleue. First of all, I wish to commend him and the government for their intention of handing over to the Indians within a few years the management of their own affairs. I hope that this transfer will be made systematically, but as fast as possible.

I also wish the minister all the co-operation possible from his officials in the completion of that task. We have been hearing about this event in Point-Bleue for some years, but I am afraid that the work is not always as efficient as the minister would like it to be, probably because we are lagging behind, in the reservations, as far as Indian competence is concerned. And I know what I am talking about, because I keep in close touch with those people. I have noticed that as soon as an Indian improves himself a little,—as soon as he gets some education and polish, it seems that a strange power drives him outside his reservation to earn his living.

He is even offered a very interesting salary to do the same work. A young man, who might be a school teacher at Pointe-Bleue, is offered a higher salary to teach outside Pointe-Bleue, probably—and I am not saying that I am convinced of that, but it is a fact and I want to point it out to the minister—in order to get him away from the others, because he could become an enlightened and intelligent chief, able to lead his group.

I still trust the group of civil servants, most of whom are not Indians. I am still confident that they are sincere in their work, that they want to give a clear advantage to the Indians in order that they might apply for the jobs to which they are entitled. I have spoken about the matter in the house before and I went so far as to attack publicly an agent of the reservation. I shall not do so to-night, because he has been replaced. We now have a Mr. Gosselin who does an excellent job. I trust he is sincere and will put into practice the ideas the minister has expressed with regard to the reservations, namely, that, at long last, their management should be handed over to the Indians.

Conceivably, the officers of the Pointe Bleue reservation, 90 per cent of whom are white people, are highly interested in keeping their jobs, but certainly this is not in the interests of the Indians, who would be ready and capable to take over, so as to get into higher positions and, finally, in a few years, carry out government policies themselves.

I am sure that the minister is not aware of all those small transactions which do not often come to light, but which are very effective and always detrimental to the Indians.

I listened earlier to the hon. member for Skeena (Mr. Howard) who is much more familiar than I am with Indian affairs, and since I have been watching the activities of civil servants, I find that few are at fault, because most of them are doing a fine job, and I commend them for it. But even if there were only one or two, it would still be enough to delay the work of the department. That is why I call the minister's attention this evening to the things that we see. Let nobody think that we are keeping our eyes closed.

The minister announced the building of a sewage disposal and water distribution system in Pointe-Bleue at a cost of $1,500,000. I congratulate him but I regret that the project should be stretched over a period of five years. For 15 or 20 years at least, they have

been asking that the village streets of the Indian reservation be paved or that a few feet of sidewalk be built for there are no sidewalks and no paved streets in the reservation.

• (9:30 p.m.)

As a result, the Indians will be in the midst of a construction upheaval for five years. During five years, the village will be upside down, precisely at the time when the provincial government will be paving the approaches to the reservation, as has been announced for the summer or at the beginning of the next year. For another five years, the village will be a ploughed field.

I have already suggested to the minister that a contractor would be interested in doing the work so as to pave the streets and build the sidewalks the same year. The same contractor is willing to wait five years for payment in accordance with the agreement, that is approximately $165,000 or $200,000 per year, according to the estimates of the department.

Well, I think that the minister should consider that proposal; the department would not find it too costly, the work could be done during the same year at the Indians' satisfaction.

The reservation is now made up of some 1,300 or 1,400 inhabitants. It is quite a big village and it seems to me that they have been living in the dust long enough to ask the federal government to do something for them. In all the small municipalities of 700, 800 or 900 inhabitants in my riding, streets are paved. But in Pointe Bleue, because that reservation comes under the federal government, nothing has been done.

The present project is of course better than nothing, but it would be ideal if the department considered the completion of their water and sewer systems during the same year, for they already have a housing project which is making good progress. Then, the possibility of paving the streets and building sidewalks could be considered.

Mr. Chairman, I do not want to speak longer; I just wanted to deal with that specific point, the amount to be spent in Pointe Bleue in the next few years. I am sure that if the minister looks squarely at the situation and if he takes into consideration the requests made by the band council of Pointe Bleue, he will do something.

I would have liked also to talk about the assistance that could be given to the Indians, especially in the field of private industry, in the reservations. I do not have much time tonight, because we must be through by ten o'clock but, next fall, when we continue the study of those estimates, I will deal with the assistance as well as the protection that the government should give the Indians in the reservations.

Today, it is impossible for an Indian to go into business because he cannot get the necessary financing. As I said previously, the Hudson's Bay Company is still all powerful in the reservations. Unless the Indians are given an equal opportunity, there will be no point in transferring to them, some day, the administration of their own affairs. The private interests within the reservations must be respected in the first place.

Recommendations and reports are fine, but when you cannot implement them, it is useless to multiply investigations. You are bound to go around in circles and there is no escape.

There is a group of serious men in the Pointe-Bleue reservation who long for the day when they may at last do like all inhabitants of other municipalities, that is, set up their own businesses, and borrow money to operate their own affairs. I am convinced that if the minister makes an investigation—not through a royal commission but a private one directed by serious people—he will probably get to the heart of the matter and then he will be able to devise a policy, at least with respect to the Pointe-Bleue reservation.

If the Indian has lost confidence in the white man, who can blame him?

• (9:40 p.m.)

[*English*]

Mr. Harkness: I should like to speak briefly in connection with our national parks. I am much afraid that in recent years the general policy with regard to the administration of the national parks has become sadly distorted as compared with what was undoubtedly the original purpose of parliament when the parks were set up. This purpose was to set aside certain areas in Canada so that the people would have full opportunity to enjoy them. Because of the difference in the types of parks there has been a considerable number of errors made as far as the administration of the parks is concerned.

The mountain parks with which I am particularly familiar, having been a resident of Alberta for 50 years during which period I have visited them frequently, are a totally different proposition from the much smaller parks in eastern Canada with which I have

also become acquainted to some extent, particularly during the period when I was minister of this department, or its predecessor.

There has of course been a very strong lobby on the part of so-called conservationists to preserve the large western parks particularly as wilderness areas, and I have a great deal of sympathy with this point of view as long as it is not carried to excess. More recently there has been a great deal of difficulty in connection with the ownership of leases or leasing rights to land in the national parks. All this, along with the constant desire of the officials of any department to produce a tidy administration has obscured the basic purpose of our parks, which was to provide areas in which all the people of Canada should have the opportunity to relax and enjoy themselves and those parks.

In our mountain parks, unfortunately, this opportunity has never been provided, because in order to provide such an opportunity facilities must be made available, and this has never been done in the large parks in western Alberta and adjacent areas of British Columbia. Nothing like the amount of low-cost accommodation which would make it possible for the average Canadian to spend a few days in the parks with his family has been provided.

In order to cater for these visitors a considerable number of things have to be done. First it is necessary to provide camp sites. The parks administration has provided a considerable number of new camp sites during recent years and the situation has improved, but there are still nothing like as many camp sites as there should be to accommodate the large numbers of people who should be accommodated and who wish to be accommodated, to say nothing of those who will be visiting the parks in the future years.

Second, there has to be a greater provision of trailer camps. A large number of people who cannot afford to stay at a motel or in a hotel, paying between $10 and $20 a day, come in trailers, and there is still nothing like the number of trailer camp sites necessary to accommodate the people who presently wish to use them, to say nothing of the demand which will undoubtedly arise in the years immediately ahead.

Third, there must be a considerable increase in the number of low-cost motels and cabin camps. The first thing I attempted to change in the administration during the brief period I was minister in charge of national parks was the regulations laying down specifications to be met before a trailer camp or motel could be put up. I am all in favour of having motels or cabin camps looking as attractive as possible, but you can have very attractive low-cost cabin camps or motels which blend in well with the natural surroundings of a park without the person who puts them up being required to spend a very large amount of money doing so.

This has been one of the great shortcomings of the parks throughout the entire 50 years I have been familiar with them. People have not been allowed to put up accommodation which they could rent during a comparatively short season at a price which an average low-income Canadian could afford to pay. It is no use having national parks which are available only to visitors with money or to Canadians with money. If these parks are to serve their purpose they must contain facilities which will enable our low-income group to spend some time in them. This has not been the case, it is not the case now, and it is one of the deficiencies which more than anything else needs to be corrected.

In addition, if people are to visit these parks and enjoy them you have to provide much better access by road than presently exists, and considerably more riding and walking trails. These are things in which the parks administration has in my view been deficient throughout the years. There has been on the part of a considerable number of people the idea that these large western parks should be preserved almost completely in their natural state and that it is a bad thing to put a road through, or a walking trail or a riding trail. But if this is not done, nobody can enjoy the parks, and the purpose for which the parks were set aside is defeated. It is in this respect that the general policy with regard to the parks has been wrong, in my submission, and must be corrected. Action becomes increasingly important as cities grow, as people are crowded together more and more and as there is greater necessity for them to get out into a wilderness, or semi-wilderness, area and enjoy their surroundings.

During the last two or three years the issue which has probably caused the minister the greatest amount of trouble has been that of leasing regulations. I would say that any leasing regulations which are to work from a practical point of view must give security of tenure to the person who has put up a building or bought it from somebody else. Under the present regulations a motel owner, for instance, has security of tenure for 21 years which is not sufficient to allow for the type of

development necessary if the people of Canada are to get into the parks and enjoy them.

At Lake Louise a motel site has been offered for tender three times, yet the department has received no bid because there is insufficient security of tenure to justify the investment of a large amount of capital. This will be the situation in all the parks unless we adopt leasing regulations which give sufficient security of tenure to encourage people to build accommodation essential to the enjoyment of the parks by our population. A great deal of the difficulty arises from the fact that there is a desire in any bureaucracy for a nice, tidy administration. I think the national parks branch should forget about a tidy administration and follow a policy which would enable the parks to be used by all the people of this country, rather than one which to a large extent excludes the majority of the people.

• (9:50 p.m.)

I would have liked to say a few things about Indian affairs but I note it is ten minutes to ten o'clock, and one or two of my colleagues wish to make some remarks.

[*Translation*]

Mr. Leblanc (Laurier): Mr. Chairman, I do not mean to prolong the debate on the estimates of the Department of Indian Affairs and Northern Development, but since the hon. minister (Mr. Laing) is here, I should like to take this opportunity to tell him that on June 15, 1967, I asked in his absence a question on the situation at Frobisher Bay concerning the Eskimos. I should like here to thank the hon. minister without portfolio (Mr. Chrétien), who answered me at that time.

My question dealt with Frobisher Bay and item no. 25 of the Department of Indian Affairs and Northern Development. I have received no further answer, oral or written, since June 15, and I hope to be given one in the near future with regard to the following points which I mentioned in my intervention:

> This was the program for the 1967-68 period: Construction of 70 houses for government employees; construction of 100 houses for the Eskimos; construction of adjacent roads; planning for the construction of office and store buildings; preparation of plans for living quarters of 100 bachelors; preparation of plans for building a technical school.

I pointed out that item No. 25 of the estimates of the Department of Indian Affairs and Northern Development for 1967-68 did not provide any money for part of the program I have just mentioned and, in particular, no money for carrying out the construction program of 70 houses for government employees, no money for the preparation of plans for the construction of office and store buildings, no money for the preparation of plans to build living quarters for 100 bachelors.

I also added:

> Due to the fact that Frobisher Bay has no basic resources and is entirely dependent on the government for its existence, this attitude by the department is causing a feeling of frustration and instability among the population—

Therefore, I ask the hon. minister whether he could not answer my very urgent question.

[*English*]

Mr. Nesbitt: Mr. Chairman, I have very few observations to make in view of the time, but first I would like to say that I think the minister, since taking over this department, has been very encouraging to Indians in what he has done. Most hon. members have been pleased with the announcements he has made, particularly with regard to housing for Indians and other improvements. However, it is my experience that, despite his good intentions, and no doubt those of the senior officials of his department who may have suggested some of these things to him, many of his well-meaning plans have become sadly frustrated, due to the attitude of junior echelons in his department.

I have some knowledge of this, as I happened to be honorary chief of one band of Indians in Ontario, and visited them within the last two days. With respect to the question of housing there is something very interesting that should be brought to the minister's attention. A great deal of money has been put up by the government, with the approval of all hon. members, to provide Indians with better housing. It is the policy of the department that the Indians themselves do as much as they can themselves to help build their new houses. However, apparently the officials in the department seem to think bathrooms are not necessary for Indians.

This is strange to me because I am quite sure C.M.H.C. would not stand for houses being built without bathrooms in areas adjacent to large metropolitan centres. As most hon. members who have experience of dealing with C.M.H.C. know, it is almost impossible to get a loan from the corporation to build a house unless the plans include all kinds of sanitary provisions. But apparently this does not apply to Indians. As a result the inference many people get is that Indians are regarded by some departmental officials as some kind

of second class citizens, and I would ask the minister to look into this matter.

Surely bathrooms are not a luxury in the southern part of Ontario and elsewhere, although they may well be in the far north permafrost area. Where Indian children are attending public schools and high schools which have these facilities, they should not be denied them at home.

The department has also done a lot to promote policies under which Indians on reserves are helped to carry on businesses for themselves. One example I have in mind is the building of a marina in the Georgian bay area. This is a good project. The Indians have hired an expert, who has run other marinas, to give them advice on the project. But the Indian agent comes prowling around every week and says, "This is wrong, that is wrong; this should be done, that should be done." I suspect he knows nothing about the work involved.

Further, tenders have to be invited for even the most trivial amounts of material. The manager that the Indians have employed says he could save money if he had authority to purchase material locally. Also in this regard, the department sends down large quantities of material that serve no useful purpose in the construction of the project. Only this afternoon I happened to see at this marina a large pile of stuff sent there by the department which is useless, and is just going to waste.

This brings me to another matter which I think should be considered by the appropriate parliamentary committee, namely the question of the usefulness of Indian agents in view of the government's new policies. I am not suggesting they should be gotten rid of at once, but if the Indian people are to achieve their own welfare this form of paternalism, particularly when it is exercised by people who are not always as competent as they might be, is unwise. I hope the minister will give consideration to the points I have raised.

Item agreed to.

(The following items were agreed to:)

Indian affairs—

5. Administration, operation and maintenance including expenditures on works on other than federal property, grants, contributions and special payments including those specified in the sub-vote titles in the Estimates, recoverable expenditures under agreements entered into with the approval of the Governor in Council with the Governments of the provinces and Territories and with local school boards in respect of social assistance to persons residing on Indian reserves other than Indians and the education in Indian schools of children other than Indian children, authority to make grants and contributions pursuant to agreements entered into with the Governments of the provinces or the Territories or other groups or authorities approved of by the Governor in Council for the provision of welfare and other services to Indians, and authority to provide, in respect of Indian commercial activities, for the instruction and supervision of Indians, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods, $84,264,700.

10. Construction or Acquisition of Buildings, Works, Land and Equipment including construction or acquisition of works for Indian bands, the operation and control of which may be transferred to the Indian bands at the discretion of the Minister of Indian Affairs and Northern Development, expenditures on works on other than federal property, assistance to Indians and Indian bands for the construction or acquisition of housing and other buildings and related works, land and equipment, and recoverable expenditures under agreements entered into with the approval of the Governor in Council with the Governments of the Provinces and the Territories and with local school boards in respect of the education in Indian schools of children other than Indian children, $33,913,000.

Northern program—

20. Administration, operation and maintenance, including grants and contributions as detailed in the estimates; authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Government of the Northwest Territories of expenditures on education and vocational training and for other services performed on behalf of the governments of the Northwest Territories and Yukon Territory; authority to sell electric power and fuel oil (and to provide services in respect thereof), in accordance with terms and conditions approved by the Governor in Council, to private consumers in remote locations when alternative local sources of supply are not available; authority to provide in respect of Indian and Eskimo commercial activities for the instruction and supervision of Indians and Eskimos, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods, and authority to make payments to Indians and Eskimos under social assistance, welfare housing and child welfare programs, $33,777,900.

25. Construction or acquisition of buildings, works, land and equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Government of the Northwest Territories of expenditures on education and vocational training; authority to make recoverable advances in respect of services provided and work performed on other than federal property when only the department is capable of performing such service or work; authority for a program of construction and acquisition of housing for Indians and Eskimos and the sale of houses to Indians and Eskimos on such terms and conditions and at such prices as the Governor in Council may approve, including the sale to Eskimos at a price $1,000 less than cost for one-room and one-bedroom houses and $2,000 less than cost for larger houses; and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total amount of $26,047,000, $21,614,800.

[Mr. Nesbitt.]

30. Northern mineral assistance grants—To authorize in the current and subsequent fiscal years, in accordance with terms and conditions prescribed by the Governor in Council, northern mineral development assistance grants to individuals and corporations, in order to assist in the mineral and economic development of the Canadian north, and to authorize total commitments in respect of development assistance grants in the current and subsequent fiscal years not exceeding $9,000,000; estimated amount required in the current fiscal year, $3,000,000.

32. To authorize interim payments to be made in respect of the current fiscal year to the Governments of the Yukon Territory and the Northwest Territories on account of future payments, including payments in respect of the amortization of outstanding loans, to be made under financial agreements to be entered into between the Government of Canada and the Commissioners of the Yukon Territory and the Northwest Territories; estimated amount required, $9,500,000.

Conservation—

National parks, historic sites and monuments, wildlife resources conservation and development including administration of the Migratory Birds Convention Act—

35. Administration, operation and maintenance including grants as detailed in the estimates, payment to national battlefields commission for the purposes and subject to the provisions of an Act respecting the national battlefields at Quebec and authority to make expenditures on the proposed new national park in the area of Kejimkujik Lake in Nova Scotia, $19,820,000.

40. Construction or acquisition of buildings, works, land and equipment including expenditures on works on other than federal property, authority to make expenditures on the proposed new national park in the area of Kejimkujik Lake in Nova Scotia and, notwithstanding section 30 of the Financial Administration Act, authority to make commitments for the current fiscal year not to exceed a total amount of $20,436,100, $19,936,100.

Indian Affairs and Northern Development—

Northern program—

L45. Loans to the government of the Yukon Territory for capital expenditures, on terms and conditions approved by the governor in council; the loans provided for in a financial agreement to be entered into between the government of Canada and the commissioner of the Yukon Territory to be reduced by the amount of any loans made hereunder; estimated amount required, $5,000,000.

L50. Loans to the government of the Northwest Territories for capital expenditures, on terms and conditions approved by the governor in council; the loans provided for in a financial agreement to be entered into between the government of Canada and the commissioner of the Northwest Territories to be reduced by the amount of any loans made hereunder; estimated amount required, $2,800,000.

Northern Canada Power Commission—

L55. Advances to the Northern Canada Power Commission for the purpose of capital expenditures in accordance with section 15 of the Northern Canada Power Commission Act, $2,650,000.

The Assistant Deputy Chairman: This concludes the estimates of the Department of Indian Affairs and Northern Development. It being ten o'clock it is my duty to rise, report progress, and request leave to sit again at the next sitting of the house.

Resolutions considered in committee of supply this day reported and concurred in.

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

PUBLIC SERVICE—LEGISLATION TO INCREASE PENSIONS OF RETIRED CIVIL SERVANTS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the present government has done a good many mean and cruel things, but I suggest that nothing it has done is as mean or as cruel as what seems to be shaping up with regard to our retired civil servants. This issue of increasing the pensions of retired civil servants has been with us for a long long time; indeed in my experience—it has been with us for over 20 years. Finally in June of 1966 the present government consented to refer the matter of raising the pensions of retired civil servants to the special joint committee on the public service of Canada. That reference was actually made in January of 1967.

On May 8, 1967, that special joint committee made its report to both houses of parliament recommending that increases in the pensions of retired civil servants and also the pensions of retired armed forces and R.C.M.P. personnel be made. Since that time I have raised the matter in the House of Commons ten or a dozen times. Every time, until very recently at any rate, the answer has been to the effect that the matter was under active consideration. We were in fact led to believe before the committee made its report that if it made a unanimous recommendation, the government would act upon it. It is now more than eight weeks since that recommendation was made and yet here we are within a few days of taking a summer recess and it begins to look as though nothing is going to be done before parliament recesses for its summer break.

On May 8 the President of the Treasury Board (Mr. Benson) assured me that the matter was under active consideration, the matter being the precise recommendation that increases be made. On May 15 the same President of the Treasury Board told me the

matter was presently under study. On May 25 the same President of the Treasury Board told me the government was making progress on the matter. On June 2 I put my question about this matter to the Prime Minister (Mr. Pearson). I asked him whether it would be dealt with before a summer break. His answer was, "We will do our best". I thought that answer was worth something. I am beginning to think it was not worth the time it took him to say it. On June 12 I again put the question to the Prime Minister. He told me that the matter was under urgent consideration. I put it to him again on June 15 at which time he reminded me of his statement of three days earlier to the effect that the matter was under active and urgent consideration. As a supplementary question, I asked him why it could not be placed on the order paper within the next few days. I was brought to order at that time by the Chair and it was then that I decided to raise the question on an adjournment motion.

On June 22 I again asked whether there would be any action on this matter before the house rises for a summer break and again I was told by the President of the Treasury Board that the matter was under active consideration. On June 26, in the absence of the Prime Minister and the President of the Treasury Board, I put the question to the government house leader, the Minister of National Health and Welfare (Mr. MacEachen), who assured me that he would bring the matter to the attention of the Prime Minister and the President of the Treasury Board.

On June 30, last Friday, I asked the President of the Treasury Board whether, in view of the attention that has been given to this matter, he could get the legislation for increases in civil service pensions on the order paper so we could deal with it this week, before parliament recesses for a summer break. His reply was that he did not think this was possible although the matter was receiving the consideration of the government. That means, unless I do not understand the plain meaning of words, that the government has no intention of acting on this matter before this house rises for the summer recess.

On the last two or three occasions when I asked this question I have been greeted with impatient murmurs from the other side of the house. The only audible words I could get were: Why don't you wait; this is going to be done? To say to old retired servants of the federal government who have been waiting for months and years for this increase that they should wait still longer, that they should wait until the fall, is the ultimate in cruelty.

I am sure that between now and the fall other matters will arise which will be given higher priority and it will be October or November before we get to this legislation; and it will be December or January before any increases are added to the cheques of these retired civil servants. Many of these people will not need the increases because they will have died before the increases come through. If, as I believe, the government has made up its mind that it is going to go along with the recommendations of the special joint committee on the public service of Canada, and if, as I believe, the government is going to act on this matter in the fall, why not do so now? What rhyme or reason is there to putting off any longer the action that must be taken on this issue?

In my view this House of Commons should not break for a summer recess until it has dealt with this matter. I feel very strongly about this. We have a house order that requires certain business to be completed by Thursday night of this week, and no individual member can stop that, but there is still the question as to whether we are going to rise on Friday for a recess of a period of time not yet stated, and I for one feel we should not do that. I for one will not agree to our rising on Friday unless the government gives us the satisfaction of answering this important question.

To my knowledge these people have been put off for 20 to 25 years, those who have been around that long. The government has been dilly-dallying and boondoggling with this issue for many months, since it came to power, and for weeks since the committee made its report. I insist that the time for action is now, and by "now" I mean before this house rises for a summer break.

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Mr. Speaker, the question raised by the hon. member for Winnipeg North Centre (Mr. Knowles) in respect of pensions for retired civil servants is an important one which has been raised in the house on several occasions during the present session. I do not know that I can add anything to what the Prime Minister (Mr. Pearson) has already said in answer to the hon. member's question.

This matter was considered most carefully by a joint committee of the house and the other place at the last session of parliament. No less than eight meetings were held with

evidence received from 21 witnesses representing all possible interests. A report was filed by that committee late this spring containing certain recommendations which the government undertook to consider. These recommendations, as the hon. member knows, were supported unanimously by the members of the committee. I need not go into the details as to what the committee's report of May 8 recommended.

Suffice it to say that the six suggested requirements of the report compel, because of their ramifications, most earnest and conscientious consideration by the government. The Prime Minister has already given assurance that the government has this matter under active and urgent study.

• (10:10 p.m.)

The President of the Treasury Board, because of his important commitments today, is unable to be here tonight. He, likewise, has given this same assurance on previous occasions. I can do no more than reaffirm these assurances and say to the hon. member and the house that just as soon as the government is in a position to make its position known, it will lose no time in acquainting the house of its intentions with regard to this important matter.

[*Translation*]

EXTERNAL AFFAIRS—SUGGESTED ADDITIONAL CONSULAR SERVICE

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I must first of all thank the parliamentary secretary to the Secretary of State for External Affairs, the hon. member for Rosedale (Mr. Macdonald), for having willingly added a few additional minutes to his arduous day in order to answer my question.

A few years ago, the Canadian government decided to open a consulate in Louisiana, more specifically in New Orleans. Since then, it has been found that the consulate has fallen far short of expectations at the time of its establishment. It is not that the representation over there is deficient, that the choice was untimely, but rather that the activities that had been expected did not materialize.

And these consulates, scattered here and there, more often serve as commercial posts rather than centres of diplomatic activity.

That is precisely the case with the consulate at New Orleans which, with that in Los Angeles, serves the southern states. That consulate, when all commercial activities are finally added up, gives far from impressive results.

Therefore, that is my first reason for proposing that the consulate should be closed and replaced by another one that could perhaps be located in the state of Florida.

The second reason in favour of such a consulate in the state of Florida is precisely that thousands of our nationals are found in Florida throughout the year, whether as tourists or as people who, after several years of hard work, choose to retire there. Consequently, the presence of those thousands of Canadian nationals is more than enough to warrant the establishment of a place for reference, of a consulate in Florida, a much more appropriate location than Louisiana.

The third reason I would like to give is the following: the state of Florida is much more important, on the basis of population and on the basis of area, than the state of Louisiana.

The fourth reason is that the state of Florida is more industrialized and the space research centre which is located there represents a growth factor for all kinds of activities, the scope of which is difficult to anticipate.

Finally, Mr. Speaker, the last reason I would like to submit is that the establishment of the consulate in Florida would, first of all, permit the establishment of a relationship between the Caribbean and Canada and then with the other southern states on the Atlantic coast which are an uncommon tourist attraction for thousands of Canadian citizens.

For all those reasons, I believe that it would be appropriate to repeat the suggestion I made at the beginning, that is to close the consulate in Louisiana, because it is not useful enough, and to open a consulate in Florida either at Tallahassee, Tampa or Miami, to give better service to the Canadian people who regularly visit the state of Florida.

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I must first of all say that it is always a pleasure to have an opportunity to reply to the hon. member for Lotbinière, one of most lucid and intelligent speakers in this house, in short, one of the greatest speakers in the history of the house.

I rise tonight first as the supporter of New Orleans which is the natural location for a Canadian consulate. It is one of the greatest centres of the United States. Located in the middle of the southern United States, the consulate is handy for the visitors coming from the west from Texas as well as those coming from the east, from Florida and the great state of Louisiana.

It is the old capital of the Acadians, the place where jazz was born, the location of the famous Bourbons street and it is also the place where lives the famous Mr. Garrison, outstanding lawyer.

The hon. member has set forth some striking arguments in favour of the opening of another consulate closer to Florida. Of course, the problem is always the inevitable question of expenditures, the eternal problem of realizing a proper balance between economy and service.

The government will review periodically the matter of Canadian consular representation in the United States, and I can assure you that, when the next opportunity occurs, it will take into account the remarks made, as I said earlier, by the very intelligent member for Lotbinière.

[*English*]

HEALTH AND WELFARE—WIARTON, ONTARIO—GRANT FOR HOSPITAL CONSTRUCTION

Mr. John Loney (Bruce): Mr. Speaker, earlier today I posed a question to the Minister of National Health and Welfare arising from two communications I received today dated June 28 and 29 respectively. I say that part of the information contained in the text of the communications was misleading and erroneous. The letter of June 28 reads as follows:

> As announced in the press today I have approved a grant, under the terms of the hospital construction grant rules, in the amount of $79,052, towards the cost of new construction and renovations at the Bruce Peninsula and District Memorial Hospital, Wiarton, Ontario.

The part which I claim is misleading and erroneous is the statement "as announced in the press today", that is on June 28. The actual facts are that the announcement was made on the front page of the Wiarton *Echo* on June 22 and must have gone out from the minister's office at least a week prior to that date, under the caption "Federal Grant to Hospital".

• (10:20 p.m.)

I read the letter which is addressed to the editor of the Wiarton *Echo*:

> We would like to use some valuable space in your paper to make the following announcement:
>
> "We have been informed by the Hon. Allan J. MacEachen, Minister of Health and Welfare, that a grant of $79,052 has been approved under the hospital construction grant rules toward the cost of the new construction and renovations at the Bruce Peninsula and District Memorial Hospital, Wiarton, Ontario."
>
> Kent Lamont, President,
> Bruce Liberal Association.

[Mr. Macdonald (Rosedale).]

I ask the minister, who are "we"? Why was the board of governors not informed directly by the minister? Is he deliberately downgrading the efforts of this group? It certainly seems to me, sir, this is a reflection on their integrity.

The second letter is dated June 29, 1967, and reads:

> You will have received my letter of yesterday's date informing you of the federal assistance for the Bruce Peninsula and District Memorial Hospital, Wiarton, Ontario. Today—

That is June 29.

> —an announcement is being made to the press that I have approved a grant of $90,097, under the terms of the hospital construction grant rules, toward the cost of the construction and renovation program being carried out at the Kincardine and District General Hospital, Kincardine, Ontario.

The actual facts in this case are these: An announcement was made on June 28, which is prior to this, and it must have gone out from the minister's office during the last week. The following appears in the Kincardine *News*:

> Word has been received from Murray Gaunt, M.L.A., Huron-Bruce of the following communication from the Hon. Allan J. MacEachen, Federal Minister of National Health and Welfare: "On June 15 under the terms of the hospital construction grant rules, I approved a grant in the amount of $90,097 towards the cost of new construction and renovation at the Kincardine and District Hospital".
>
> This information was received by Mr. A. E. Greer—

May I say here, that Mr. A. E. Greer is an executive officer of the Bruce Liberal Association.

> —chairman of the public relations committee of the board of governors of the hospital.

Why did the minister make the announcement in this way? Why was the board of governors not informed directly by the minister? Why must the minister bring politics into this, with all the scope we have in the house for politics? I thought the last place we would find this type of action would be the Department of National Health and Welfare.

Mr. Knowles: Oh?

Mr. Loney: The hon. member says, "Oh". The board of governors is a volunteer group. They volunteer their service, their capabilities, their time and their experience. I think it is degrading, as I said a few minutes ago, to treat them in this manner. In this instance there was no effort at playing politics. There were no representations made through me as the elected member of the district. I did not make any representations to the minister's

office on behalf of the board of governors. There have been no political implications.

My question to the minister is this: Why, when ministering to the needs of those people residing in the communities which will be served by these improved and much needed facilities, does the minister engage in such an amateurish way in low, petty politics of such a despicable nature?

Hon. A. J. MacEachen (Minister of National Health and Welfare): I regret that I am not as well informed as to the identity of the various persons who have been informed about the hospital grants as is my hon. friend—

Mr. Knowles: Oh, come, come.

Mr. MacEachen: —because I assure him this is the first time I have been informed that these citizens to whom he has referred are prominent in any political party. May I just say, Mr. Speaker, that there is quite a large flow of information from the Department of National Health and Welfare to various groups in all parts of Canada in respect of the payment of hospital grants. In such circumstances, the normal practice is certainly to advise the members of parliament at the time the official release from the Department of National Health and Welfare is put out. With respect to both these cases, that procedure was followed. The hon. member for Bruce, who raised this grievance, received information with respect to both these grants. He was good enough to write me and express his appreciation not only for the action taken but for the letters advising him of these grants. They were sent to him on the day specified and in conjunction with the official release from the department.

In addition to that, Mr. Speaker, we do send out the information to hospital administrators and interested citizens. I notice that in respect to a number of hospitals that have been covered by these press releases letters have gone out to the chairmen of the hospital boards and to the hospital administrators. In some cases it is apparent that there cannot be perfect synchronization in the delivery of these letters. As my hon. friend suggests, it is obvious that other interested persons who were entitled as citizens to this information also received it and made use of it in this way.

No effort was made to upstage the operators or administrators of the hospital, nor indeed was any effort made to upstage the hon. member, who is as free to use this information as any of the other persons to whom it was addressed. I assure my hon. friend that no effort is being made to play politics in providing this information. This is public information and we want the widest possible dissemination of it. I am afraid that I cannot agree with him that somehow it is bad citizenship if this information is put in the newspapers by a person who happens to be identified with a political party as well as with a hospital.

Motion agreed to and the house adjourned at 10.29 p.m.

[The following items were passed in committee of supply this day]:

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

1, 5, 10, 20, 25, 30, 32, 35, 40, L45, L50, L55.

Ceremonies marking the

HUNDREDTH ANNIVERSARY OF CONFEDERATION

in the presence of

HER MAJESTY QUEEN ELIZABETH II

on Parliament Hill, Ottawa.

July 1st, 1967

ADDRESS BY
HON. SYDNEY J. SMITH
SPEAKER OF THE SENATE

YOUR MAJESTY:

On this memorable milestone in our history—made more memorable and joyful by your gracious presence—after a century of sun and storm, we beg to tell Your Majesty that our devotion to the Crown has grown in depth and strength, and to speak humbly of our affection for your person.

To express to Your Majesty our loyalty and affection and our gratitude for the presence in Canada of Your Majesty and His Royal Highness the Prince Philip on this historic occasion, the following humble Address has been passed by the Senate and Commons of Canada:

TO HER MOST EXCELLENT MAJESTY ELIZABETH THE SECOND,

By the Grace of God of the United Kingdom, Canada and Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

MOST GRACIOUS SOVEREIGN:

We, Your Majesty's dutiful and loyal subjects, the Senate and Commons of Canada in Parliament assembled, wish humbly to convey to Your Majesty this expression of our deepest loyalty, affection and respect, and of our appreciation of the presence in Canada of Your Majesty and His Royal Highness the Prince Philip at the celebration of the Centenary of Confederation.

We pray that Your Majesty may continue to reign for many years as our gracious and beloved Sovereign.

ADDRESS BY

HON. LUCIEN LAMOUREUX, Q.C., M.P.,

SPEAKER OF THE HOUSE OF COMMONS

YOUR MAJESTY,

We, the Members of the House of Commons of Canada, beg leave to express to Your Majesty, on behalf of the Canadian people, our loyal and affectionate greetings. We extend to Your Majesty and to His Royal Highness the Prince Philip, a most cordial welcome to Ottawa on this day of deep historic significance for all Canadians.

[*Translation*]

YOUR MAJESTY;

Your visit in this year of the Centennial of Confederation is a great honour and a great joy; we are particularly happy to express our sincere affection and loyalty.

Canadians from sea to sea are represented here to assure Your Majesty of their unfailing devotion to your person as Queen of Canada. Your presence among them confirms in their hearts the special place which the Monarchy holds in our development as a nation; your words contribute to bind our people together, to encourage them in the pursuit of their ideal and to strengthen their will to enrich the Canadian mosaic, reflecting more particularly their dual origins.

The achievement of the Fathers of Confederation therefore deserves to be pursued in accordance with the principles that marked the birth of our country, recognizing now as then that the Crown is the cornerstone of legislative power and that it is also the fount of honour and justice.

[*English*]

One hundred years ago today, a new Canada was born. The British North America Act of 1867, to which Your Majesty's revered predecessor, Queen Victoria, gave the Royal assent, was an act of faith in the people and in the Parliamentary institutions of the new Canada. The intervening years have witnessed an increasing fulfilment of the hopes and aspirations of those who believed in the destiny of our people and of our land.

In a very real sense, the Canadian experience with unity of political purpose in a rich diversity of cultures provided a meaningful precedent for the evolution of the Commonwealth, and expression of international neighbourhood perhaps unique in the history of man.

The Crown has become the spiritual keeper of the ideals of freedom and equality that bring together the nations of the Commonwealth. We Canadians are proud and grateful to be linked, through Your Majesty, with these sister nations in the pursuit of peace and progress for all mankind.

As we enter the second century of Confederation, may we, in Canada, express our faith and confidence in the future of our country and its continuing development as a member of the Commonwealth of which our Queen is the head.

Therefore, I am proud to tender to Your Majesty the following address of loyalty on behalf of the Canadian House of Commons:

[*Translation*]

TO HER MOST EXCELLENT MAJESTY ELIZABETH THE SECOND,

By the Grace of God of the United Kingdom, Canada and Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

MOST GRACIOUS SOVEREIGN:

We, Your Majesty's dutiful and loyal subjects, the members of the Senate and Commons of Canada in Parliament assembled, wish humbly to convey to Your Majesty this expression of our deepest loyalty, affection and respect, and of our appreciation of the presence in Canada of Your Majesty and His Royal Highness the Prince Philip at the celebration of the Centenary of Confederation.

We pray that Your Majesty may continue to reign for many years as our gracious and beloved Sovereign.

ADDRESS BY

HER MAJESTY THE QUEEN

Mr. Speaker of the Senate

Mr. Speaker of the House of Commons

I thank you both most sincerely for the Loyal Addresses which you have read on behalf of Parliament and for your welcome to my husband and myself.

One hundred years of Confederation; what a simple statement but what a remarkable chapter in Canada's history. It is altogether right and fitting that Sovereign and people should meet together here at the heart and centre of Canadian existence to give thanks on this great occasion.

Canada is a country that has been blest beyond most other countries in this world. Although there have been all the possibilities for human anguish and conflict, the pages of Canada's history during the last hundred years have hardly been stained by serious misfortunes. The problems which faced the statesmen of 1867 and the national problems which have had to be met in the intervening years have been solved, with rare and minor exceptions, through discussion and through an effort of tolerance, goodwill and understanding.

When I visited the scenes of those historic discussions at Charlottetown and Quebec, three years ago, it came to me how quietly this nation had been created by men sitting around a table. Not the least important service rendered by Sir John Macdonald, Sir Georges Etienne Cartier and the other Fathers of the Confederation, was this tradition of calm consultation which they established.

Let no one underestimate the imagination and daring shown by those men one hundred years ago. They created one nation of this great country which reaches from sea to sea, a land rich in the things that man needs for a good life, enough to provide for a varied and growing population and to help meet the world's needs as well. They also created a nation that has grown and prospered in an atmosphere of freedom, where differences are respected, and where the rights of individual men and women to work out their own salvations have never been long denied. These are profound reasons for our thanksgiving.

On this day of celebration it is right that we should remember with gratitude the men and women who have held responsibility and authority—at the time of confederation and down through the years in the National Capital as in the Provinces—for their contribution to the birth and growth of Canada.

I can think of no more valiant and fitting representative of the people I have in mind than the late General Vanier, soldier, patriot and servant of Canada.

I have spoken of the great men, the men whose names have an honoured place in Canada's history, but we must not forget that we owe as much to the unsung work and steadfast lives of great numbers of more humble people. The men and their families who made the clearings and worked the land, and who built the roads, railways and canals. The greatness and stability of this country also rests on these firm foundations. I am thinking of the eager immigrants who came with such high hopes and had to face the dread of cholera; of the early settlers on the prairies struggling through the harsh winters; of the fishermen determined to wring a livelihood in the storm and danger of unfamiliar waters; of the many thousands who went back in two world wars because they believed so strongly in their own freedom. It is these, the ordinary people of Canada, who have given flesh and sinew to the plans of the Fathers of the Confederation.

[*Translation*]

It is a hundred years of nationhood that we celebrate today. But let us not forget the earlier centuries of arduous labour that came before Confederation. I am not likely to overlook the contributions made by those of British stock who came here from elsewhere in North America or who were settlers from

the old world in the new. Even more extended in time, and as deep in impact, have been the contributions made by Canadians of French descent. Ever since Champlain founded his Habitation at Quebec—and planted rose bushes around it—this air has been sweetened with the French tongue and French culture and sharpened with French intelligence and French resource. It is one of the marvels of history that a society planted so precariously in the wilderness should not only have survived but should have flourished so triumphantly, still loyal to its past and open to everything that is new. From all I hear, from everything I know, I am sure that the contributions of French Canada to the life of the country as a whole will prove even ampler in the future than they have been in the years gone by.

Tomorrow I sail down the St. Lawrence to pay a visit to Expo 67. I have no doubt that I will find there a great mirror held up to the future. It will be possible to catch glimpses of what may be expected in the further exploration of space, in new methods of travel and communications, in the growth of new technologies. Such a future clearly holds as large opportunities for imagination and daring as any that have existed up to now. And the qualities that have made this country what it is will also enable Canadians to share in such a future to the full. On the basis of the natural and human resources that are available here, the broad industrial development, the many centres of learning and research, and the skills found here, there should be few limits to what Canada is capable of. Above all, the energy and resourcefulness of Canadians may be relied on to carry them forward successfully whatever the swiftness of the changes that we will witness.

Sustaining a human perspective will be possible, I am inclined to think, only if we have the courage to probe within ourselves as well as into space. And in thinking about the future we must not be too much distracted from the problems that we can see about us in our society today. This country is fortunate and prosperous above most others. But not all of its people are free from want or hardship. There are still wrongs to be righted and suffering to be relieved. There is still a constant effort of accommodation to be made so that all the peoples in this great country may live together in friendship and harmony.

[*English*]

Confederation have given Canada the economic strength which has made it possible for her to help the needy countries in their economic development; it has made it possible for Canada to provide forces to help keep the peace where it has been threatened, and, above all, it has given increasing power and authority to Canada's voice in world affairs. This power and authority derives from the internal national unity and it can only be sustained and flourish if that national unity prospers.

From the very earliest days, the name of Canada is associated with prodigious voyages; first the voyages of the seamen from Bristol and St. Malo in their tiny ships, then the explorers who went by canoe up the Ottawa to the Great Lakes and along the waterways of the Middle West to the Rockies and beyond. With the beginning of this new century the whole Canadian nation embarks on another great voyage. May it bring peace and prosperity, happiness and harmony and a just reward for the work and endeavour of each one of you.

PROGRAMME

A HUNDRED YEARS AGO today, our ancestors witnessed the birth of a new nation. Now, a century later, some twenty million Canadians share the heritage of freedom and material prosperity for which, on this historic occasion, all will wish to join in thanksgiving to God.

The roots of twentieth century Canada lie deep in the traditions of many peoples. Our society and system of government have evolved through generations of political adjustment and social change. We have sought to take the best from the past and to mould our institutions to meet the demands of today's world. It is fitting that we should recollect and acknowledge our debt to the wisdom and vision of the Fathers of Confederation who set the course for Canada's development. It must be our resolve to preserve and nourish all that is worthy in that inheritance and transmit it to those who will be our heirs.

Throughout this day, people are coming together across the land to celebrate the Centennial of Confederation. In the nation's capital, the Senate and Commons have assembled in the presence of Her Majesty the Queen of Canada. Here, visible to all, is our treasured institution of Parliament, of which the spirit and sinew resides in the people themselves.

The future is charged with excitement and challenge. Let us now, in humility, but with confidence in that future, dedicate ourselves to the task ahead.

9.30 a.m. Music by the Band of the Canadian Guards and the Peace Tower Carillon.

10.00 a.m. Parliamentarians and guests are seated.

10.05 a.m. Arrival of the Prime Minister, the former Prime Minister and members of the Cabinet.

10.10 a.m. Arrival of the Speaker and officials of the House of Commons.

10.15 a.m. Arrival of the Speaker and officials of the Senate.

10.20 a.m. Arrival of His Excellency the Governor General.

10.27 a.m. ARRIVAL OF HER MAJESTY.
Her Majesty the Queen and His Royal Hightness The Prince Philip, Duke of Edinburgh, will be met by the clergy officiating at the service.

10.30 a.m. SERVICE OF THANKSGIVING AND DEDICATION
The officiating clergy will be assisted by the Centennial Choir and the Band of the Canadian Guards.

PRESENTATION OF ADDRESSES

A Fanfare of Trumpets will be sounded as Her Majesty the Queen and the Duke of Edinburgh mount the dais. God Save the Queen is sung, after which all are seated.

The Address from the Senate will be read and presented to Her Majesty the Queen by the Speaker of the Senate. The Address from the House of Commons will be read and presented by the Speaker of the House.

HER MAJESTY'S REPLY

O Canada is sung. The Queen and the Duke of Edinburgh will go in procession down the broad walk. A Fanfare of Trumpets will be sounded as the Royal Procession reaches the Centennial Flame.

Departure of the Queen and the Duke of Edinburgh. The Speakers and mace bearers will return in procession to the Centre Block.

Departure of the Prime Minister, parliamentarians and guests.

Musical Programme

Presented by the CANADIAN GUARDS' Band, *Director of Music: Captain C. A. W. Adams, C.D., L.R.A.M., A.R.C.M.,*
and the Peace Tower Carillon, *Dominion Carillonneur: Robert Donnell*

1. Century of Progress	McAnespie
2. Medley of Canadian Folk Songs	arr. R. Donnell
3. Gaspé from "Three Canadian Impressions"	B. Bogisch
4. Suite from Merrie England	E. German
5. Marche Vanier	R. Milne
6. God Bless Our Queen	M. Toone
7. Coronation March from "Le Prophète"	G. Meyerbeer
8. Homage March	E. Grieg
9. "La Citadelle"—Selection of Quebec Folk Songs	arr. by C. Adams
10. My Country from "The Planets"	Gustav Holst
11. Royal Visit	J. Gayfer

CENTENNIAL CHOIR, *Director, Nicholas Goldschmidt.*

Order of Service

Parliament Hill, July 1st, 1967.

OFFICIATING CLERGY

Mr. Lavy N. Becker, B.A., M.A., M.H.L.,
Chairman, Canadian Interfaith Conference.

Right Reverend Timotheos,
Bishop of Rodostolon.

The Right Reverend Wilfred C. Lockhart, M.A., Ph.D., D.D.,
Moderator of the United Church of Canada.

Reverend D. P. Neufeld,
Executive Secretary,
Mennonite Central Committee.

The Right Reverend John Logan-Vencta, O.B.E., M.A., D.D.,
Moderator of the Presbyterian Church of Canada.

His Eminence Maurice Cardinal Roy, Ph.D., D.D., S.T.D.,
Archbishop of Quebec,
Roman Catholic Primate of Canada.

The Most Reverend H. H. Clark, B.A., D.D., D.C.L.,
Anglican Archbishop of Rupert's Land,
Primate of All Canada.

Rabbi S. M. Zambrowsky,
Chairman of National Religious Affairs Committee,
Canadian Jewish Congress.

Call to Worship

MR. LAVY N. BECKER

Blessed is the nation whose God is the Lord, and the people whom He hath chosen for His own inheritance.

O come, let us worship, and bow down, and kneel before the Lord, our Maker. For He is the Lord our God; and we are the people of His pasture, and the sheep of His hand.

O Lord My God (Beethoven)

Prayer of Invocation

RIGHT REV. TIMOTHEOS

O Lord our God, great, eternal, wonderful in glory, who keepest covenant and promise for those that love Thee with their whole heart, who art the life of all, the help of those that flee to Thee, the hope of those that cry unto Thee: Cleanse us from our sins, and from every thought displeasing to Thy goodness. Cleanse our souls and bodies, our hearts and consciences, that with pure heart and a clear mind, with perfect love and the calm hope, we may confidently and fearlessly pray to Thee;

And to Thy Name be the praise for ever. Amen.

Our Father, Who Art in Heaven...

THE RIGHT REV. DR. W. C. LOCKHART

Our Father, who art in heaven,
Hallowed be thy Name;
Thy kingdom come;
Thy will be done on earth
as it is in heaven.
Give us this day our daily bread;
And forgive us our trespasses,
As we forgive those who trespass against us;
And lead us not into temptation,
But deliver us from evil.
For Thine is the kingdom, the power,
and the glory, for ever and ever. Amen

Responsive Reading

REV. D. P. NEUFELD THE RIGHT REV. J. LOGAN-VENCTA

Clergy: I will lift up mine eyes unto the hills, from whence cometh my help.

Response: My help cometh from the Lord, which made heaven and earth.

Clergy: He will not suffer thy foot to be moved: he that keepeth thee will not slumber.

Response: Behold, he that keepeth thee shall neither slumber nor sleep.

Clergy: The Lord is thy keeper; the Lord is thy shade upon thy right hand.

Response: The sun shall not smite thee by day, nor the moon by night.

Clergy: The Lord shall preserve thee from all evil; he shall preserve thy soul.

Response: The Lord shall preserve thy going out and thy coming in, from this time forth, and even for evermore.

Hymn

All people that on earth do dwell,
Sing to the Lord with cheerful voice,
Him serve with mirth, His praise forth tell
Come ye before Him and rejoice.

Know that the Lord is God indeed;
Without our aid He did us make;
We are His folk, He doth us feed,
And for His sheep He doth us take.

O enter then His gates with praise,
Approach with joy His courts unto;
Praise, laud, and bless His name always,
For it is seemly so to do.

For why the Lord our God is good;
His mercy is for ever sure;
His truth at all times firmly stood,
And shall from age to age endure. Amen.

Scriptural Reading

THE PRIME MINISTER

Be ye all of one mind, having compassion one of another, love as brethren, be pitiful, be courteous. Not rendering evil for evil, or railing for railing: but contrariwise blessing; knowing that ye are thereunto called, that ye should inherit a blessing. For he that will love life, and see good days, let him refrain his tongue from evil, and his lips that they speak no guile. Let him eschew evil, and do good; let him speak peace, and ensue it. For the eyes of the Lord are over the righteous, and his ears are open unto their prayers; but the face of the Lord is against them that do evil. And who is he that will harm you, if ye be followers of that which is good? But and if ye suffer for righteousness sake, happy are ye; and be not afraid of their terror, neither be troubled.

The Centennial Anthem

Scriptural Reading

HIS EMINENCE CARDINAL ROY

I entreat you, then—I, a prisoner for the Lord's sake: as God has called you, live up to your calling. Be humble always and gentle, and patient too. Be forbearing with one another and charitable. Spare no effort to make fast with bonds of peace and unity which the Spirit gives. There is one body and one Spirit, as there is also one hope held out in God's call to you; one faith, one baptism: one God and Father of all, who is over all and through all and in all. But each of us has been given his gift, his due portion of Christ's bounty ...to equip God's people for work in His service, to the building up of the body of Christ. So shall we all at last attain to the unity inherent in our faith and our knowledge of the Son of God—to mature manhood, measured by nothing less than the full stature of Christ.

Let us speak the truth in love; so shall we fully grow up into Christ. He is the head, and on Him the whole body depends. Bonded and knit together by every constituent joint, the whole frame grows through the due activity of each part, and builds itself up in love.

The Centennial Hymn

Prayer of Thanksgiving

THE MOST REV. H. H. CLARK

Almighty God, of whose righteous will all things are, and were created; Thou last gathered our people into a great nation, and sent them to sow

beside all waters, and multiply sure dwellings on the earth. Deepen the root of our life in everlasting righteousness. Make us equal to our high trusts, reverent in the use of freedom, just in the exercise of power, generous in the protection of weakness. With all Thy blessings, bless Thy servant Elizabeth, our Queen, with all members of the Royal House. Fill her heart with such loyalty to Thee, that her people may be exalted by their loyalty to her. To our legislators and councillors give insight and faithfulness, that our laws may clearly speak the right, and our judges purely interpret them. May wisdom and knowledge be the stability of our times, and our deepest trust be in Thee, the Lord of nations, and the King of Kings. Amen.

A Litany of Re-Dedication

RABBI S. M. ZAMBROWSKY—THE RIGHT REV. DR. W. C. LOCKHART

Clergy: Remembering our heritage with gratitude and our progress with humility, let us now re-dedicate ourselves to those moral and spiritual principles which have been the foundation of our freedom. O Lord our God, that all our people may live and labour, dream and build, fulfilling their destiny under Thy providence:

Response: We re-dedicate ourselves, O Lord.

Clergy: That all may share a common purpose, striving for unity, honoring our many origins, cultures, and religious faiths:

Response: We re-dedicate ourselves, O Lord.

Clergy: That we may grow in brotherhood, without fear, without arrogance, without servility, in constant pursuit of righteousness:

Response: We re-dedicate ourselves, O Lord.

Clergy: That we may not think of ourselves alone, but of all mankind, acting within the family of nations with understanding and generosity, with patience and wisdom:

Response: We re-dedicate ourselves, O Lord.

Clergy: That in all our earthly tasks we may so order our lives as ever to confess Thy care and rule:

All: Hear us and help us, O Lord our God, and to Thy Name be the glory forever. Amen.

Hymn—Now Thank We all Our God

Now thank we all our God,
With heart, and hands and voices,
Who wondrous things hath done,
In whom His world rejoices;
Who from our mother's arms
Hath blessed us on our way
With countless gifts of love,
And still is ours today.

O may this bounteous God
Through all our life be near us,
With ever joyful hearts
And blessed peace to cheer us
And keep us in His grace,
And guide us when perplexed,
And free us from all ills
In this world and the next.

The Benediction

THE MOST REV. H. H. CLARK

May the God of peace Himself give you peace at all times and in all ways. Those things which you have learned, and received, and heard, and seen do. And the God of peace be with you. Amen.

The Canadian Guards Band,
Captain C. A. W. Adams, C.D., L.R.A.M., A.R.C.M.,
Director of Music.

Dominion Carillonneur,
Robert Donnell.

Centennial Choir,
Nicholas Goldschmidt.

The Centennial Anthem,
Words: Robert Choquette
Music: Healey Willan.

The Centennial Hymn,
Words: Kenneth A. Moyer
Music: Rex Le Lacheur

HOUSE OF COMMONS

Wednesday, July 5, 1967

The house met at 11 a.m.

EXTERNAL AFFAIRS

First report of standing committee on external affairs—Mr. Dubé.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

FINANCE

DEPOSIT INSURANCE REGULATIONS—TABLING AND REFERENCE TO COMMITTEE

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, in the closing days of last session the hon. member for Edmonton West and the hon. member for Perth asked that the regulations pertaining to deposit insurance be referred to the standing committee on finance, trade and economic affairs. I undertook to do so in this session. Therefore with the leave of the house I should like to table in English and in French copies of bylaw No. 1 of the Canada Deposit Insurance Corporation, passed as order in council No. 1967-579 as amended by order in council 1967-1065.

By leave I should also like to move:

That bylaw No. 1 of the Canada Deposit Insurance Corporation, passed as order in council 1967-579 as amended by order in council No. 1967-1065, be referred to the standing committee on finance, trade and economic affairs.

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

Some hon. Members: Agreed.

Mr. Speaker: The house has heard the motion. Is it the pleasure of the house to adopt it?

Some hon. Members: Agreed.

Motion agreed to.

[*Translation*]

CRIMINAL CODE

AMENDMENT RESPECTING UNANIMOUS VERDICT OF JURY

Mr. Fernand-E. Leblanc (Laurier) moved for leave to introduce Bill No. C-145, entitled "An Act to amend the Criminal Code (Dissent of a Juror)".

Some hon. Members: Explain.

Mr. Leblanc (Laurier): Mr. Speaker, this bill introduces a new concept with regard to the verdict of a jury.

With a view to avoiding new trials which often cause useless delays and expenses, I propose that the verdict of 11 jurors have the same effect as a unanimous verdict.

I trust this bill can improve the administration of justice and make it more expeditious and more efficient.

Motion agreed to and bill read the first time.

[*English*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*ACTIVITIES OF MEMBERS OF LABOUR RELATIONS TASK FORCE

Question No. 68—**Mr. Peters:**

1. Has the Minister of Labour at hand a report of the recent activities of the gentlemen appointed to the labour relations task force, particularly with a view as to whether present or recently completed tasks for other governments and private corporations and unions, such as the government of Manitoba, Domtar, and the S.I.U., may have committed them to positions regarding management's rights and the matter of labour management co-operation which would limit their usefulness and openness of mind in the work they are now doing?

2. What is the record of such activities since 1963 for Dean Woods, Abbé Dion, John Crispo, and Dean Carrothers?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Mr. Speaker, the answer to starred question No. 68 is as follows: 1. No reports have been received either from the task force on labour relations, or from other persons, relating to the appointment of the members of the task force. The members of the task force were selected because of their reputations and extensive experience in labour relations matters. They have not completed nor are they presently involved in tasks which would in any way limit their usefulness and openness of mind in relation to the work of the task force.

2. Abbé Dion and John Crispo have served as chairmen of Domtar joint labour-management committees. Dean Woods has served as chairman of the province of Manitoba's joint labour-management review committee,

and Dean Carrothers was retained by the board of maritime trustees to advise the board on the preparation of a model constitution for the S.I.U.

*POST-WAR EXECUTIONS OF GERMAN TROOPS

Question No. 69—**Mr. Peters:**

1. Before the Minister of National Defence made his statement in the house on December 21, 1966 (*Hansard*, pages 11445-6) regarding the post-war execution of German troops, was his attention drawn to a press report in the *Times* of London on May 18, 1945, relating to a series of executions other than those explained by the minister?

2. If so, what was the nature of the advice the minister received regarding this report?

3. If not, has the minister ensured that a thorough search through regimental and more senior formations' war diaries of the period has been made which would belie the *Times* report?

Hon. Paul Hellyer (Minister of National Defence): The statement I made in the house on December 21, 1966 referred to the circumstances surrounding the trial and execution of two German sailors, Dorfer and Beck. I cannot recall just precisely when the *Times* report of 1945, datelined Utrecht, was brought to my attention but it is likely that I was aware of it prior to December 21, 1966.

The 1st Canadian Armoured Brigade was in the Utrecht area at that time and the war diaries for the complete month of May, 1945, of Canadian units, that is the headquarters 1st Canadian Armoured Brigade, 12th Armoured Regiment and 14th Armoured Regiment have been examined and no reference to the incident referred to in the *Times* report has been found. On May 17 the 3rd Canadian Infantry Division moved into the Utrecht area. The war diaries of the division and the three brigades, 7th, 8th and 9th and the regiments for the month of May have been examined. No reference to the incident was found. The war diary of the 3rd Canadian Anti-Tank Regiment, the only Canadian artillery unit in the area, also was examined without finding any reference to the incident. This examination of war diaries which is the only likely source of information on the subject has not disclosed any information relating to the incident referred to in the *Times* report.

ALTERATIONS AND IMPROVEMENTS, CENTRAL EXPERIMENTAL FARM

Question No. 75—**Mr. Bell (Carleton):**

1. Are alterations or improvements planned at the central experimental farm to (a) the greenhouses (b) sanitary and storm sewers (c) the K. W. Neatby building (d) the William Saunders building?

2. What is the nature and purpose of such alteration or improvement to each such building or service?

3. Will any additional space or other facility be provided in any building and, if so, how many square feet or what facility will be provided?

4. What is the estimated cost of each of such alterations or improvements?

[Mr. Matheson.]

Hon. J. J. Greene (Minister of Agriculture):

1. (a) Yes, (b) yes, (c) yes, (d) yes.

2. (a) Completion of alterations and improvements to provide for biological examination of imported plant material, a continuing renovation and improvement program of painting, recapping, renewal of heating and electrical systems, and general work area improvements. (b) Provision of new sanitary and storm sewers to service buildings south of the National Capital Commission driveway, permitting the abandonment of a septic tank system. (c) Replacement of existing transformers and improvements to power distribution system; improvements in air exchange system; relocation of partitions to permit accommodation changes. (d) Relocation of partitions and renovations to accommodate a plant taxonomy research centre.

3. Yes, an office laboratory addition to the apiary building of 1,260 sq. ft. and interior improvements in other buildings.

4. It is not customary to publish estimates of cost before tenders are called.

ROAD REVISIONS, CENTRAL EXPERIMENTAL FARM

Question No. 76—**Mr. Bell (Carleton):**

1. What revisions to roads on the central experimental farm are planned?

2. What is the purpose of such revisions?

3. What is the total footage of such revisions?

4. What is the estimated cost of such revisions?

Hon. J. J. Greene (Minister of Agriculture):

1. It is proposed to widen the entrance to the farm near the K. W. Neatby building and to extend Driveway Avenue.

2. To improve traffic flow.

3. Entrance—4 lanes with median—552 feet; Driveway Avenue extension—2 lane carriageway—1400 feet.

4. It is not customary to publish estimates of cost before tenders are called.

*REMOVALS FROM INTERNATIONAL CONTROL COMMISSION FOR IMPROPRIETY

Question No. 81—**Mr. Diefenbaker:**

1. Have any Canadians connected directly or indirectly with the international control commission in Asia been removed from North Viet Nam for having been involved in alleged clandestine activities or for other improprieties?

2. If so, what is the total number?

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the answer to the first and second parts of this question is as follows.

No Canadians connected directly or indirectly with the international commissions for supervision and control in Indochina have been removed from North Viet Nam for having been involved in "alleged clandestine activities." With respect to "other improprieties", the term used in the question, the records of the Departments of External Affairs and National Defence indicate that during the 13 years of the commissions' existence 12 Canadians have been withdrawn from North Viet Nam by the Canadian authorities for disciplinary reasons. None of these cases had anything whatsoever to do with espionage or anything of that nature.

YELLOWKNIFE, N.W.T.,—ENGINEERING FEASIBILITY STUDY

Question No. 116—**Mr. Orange:**

1. Was there an engineering feasibility study carried out prior to the selection of Yellowknife as the capital of the Northwest Territories concerning the cost of providing government housing including extension of water and sewer services in that community?

2. If so, when was this study conducted and by whom?

3. Has this study been made public and, if not (a) is it the intention of the government to make such study public (b) when?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. Yes.

2. This study was conducted by departmental engineers in the fall of 1966.

3. No. Since this study consisted of a review of existing material commissioned by the town of Yellowknife, it will not be made public by the government.

ADULT EDUCATION PROGRAM, FILE HILLS RESERVE, SASK.

Question No. 140—**Mr. Douglas:**

1. When did the Indian affairs branch initiate an adult education program on the File Hills reserve, Fort Qu'Appelle, Saskatchewan?

2. Is this program still in operation and, if not, when did it stop operation and for what reason?

3. What is the name of the person who has been in charge of this program, and is he still in the employ of the Indian affairs branch and, if not, what was the reason for his leaving the Indian affairs branch?

4. What are the names of all the instructors hired for the adult education program on the File Hills reserve?

5. If any of them are no longer employed by the Indian affairs branch, what is the reason for their leaving the Indian affairs branch?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. A full time adult educator was assigned to the File Hills-Qu'Appelle agency as of September 1, 1965.

2. The position of adult educator will be abolished as of August 31, 1967. The program will be continued and expanded, utilizing services available through the university extension department and the department of manpower, supplemented as required by Indian affairs branch programs.

3. Mr. J. V. Ferguson has been in charge of this program. Mr. Ferguson is still in the employ of Indian affairs branch.

4. The following persons have been employed as short term instructors in the File Hills-Qu'Appelle agency:

	Reserve
Mrs. Thelma Jones	Okanese
Mrs. Muriel Teece	Okanese
Mr. G. Carlson	Muscowpetung and Standing Buffalo
Miss L. Goodwill	Standing Buffalo
Mrs. B. Eaton	Muscowpetung and Standing Buffalo
Mr. A. Berner	Okanese
Mr. B. Edmonds	Carry the Kettle
Mrs. Sharon Pletz	Carry the Kettle

5. At present Mrs. Sharon Pletz is the only instructor on staff. The others have completed their short term contracts but will be re-employed if there is interest in further training and they are available.

SIOUX LOOKOUT, ONT.—EXPENDITURES ON INDIAN SCHOOL

Question No. 153—**Mr. Reid:**

1. How much money has the Department of Indian Affairs and Northern Development spent on the Pelican residential school near Sioux Lookout, Ontario, in each year, for the past ten years?

2. What was the purpose of these repairs?

3. How long does the Department of Indian Affairs and Northern Development estimate they will be utilizing these facilities and for what purposes will they be used?

Questions

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Insofar as the Department of Indian Affairs and Northern Development is concerned, the answer is as follows: 1. 1956-57, $8,185.13; 1957-58, $9,430.84; 1958-59, $12,868.30; 1959-60, $3,874.27; 1960-61, $7,997.10; 1961-62, $2,858-.27; 1962-63, $19,893.57; 1963-64, $8,061.59; 1964-65, $15,378.17; 1965-66, $4,703.64; Total, $93,250.88. The final figure for the fiscal year 1966-67 is not yet available but it is estimated that this will be approximately $8,000.

2. These were normal expenditures covering the maintenance of the buildings.

3. It is not possible to predict, at this time, how long this school will be required. These facilities are now being utilized for the accommodation of Indian children who are orphans, or from broken homes, or from areas where day schools do not exist.

INDIAN AFFAIRS—ESKIMOS AND INDIANS EMPLOYED

Question No. 166—**Mr. Orlikow:**

1. How many employees are there working for the Department of Indian Affairs and Northern Development in isolated areas and, of these, how many are Eskimos?

2. How many employees are there working for the Indian affairs branch as Indian agents, placement officers, research officers, etc., and, of these, how many are Indians?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. Nineteen hundred and sixty-one employees of the Department of Indian Affairs and Northern Development are working in isolated areas. One hundred and eighty seven of these are Eskimos.

2. There are twenty eight hundred and thirty nine employees working for the Indian affairs branch as Indian agents, placement officers, research officers, etc.; the departmental records indicate that three hundred and forty three of these employees are Indians. Since information as to whether or not employees have Indian status is not available for every employee of the branch, it is quite possible that there are more employees of Indian status than shown in the foregoing figure.

C.B.C. BASEBALL TELECASTS

Question No. 177—**Mr. McCleave:**

1. How many National League and American League baseball games will be telecast on the (a) French (b) English networks of the C.B.C. in 1967 (exclusive of the all-star game and World Series)?

[Mr. Reid.]

2. Will the (a) all-star game (b) World Series, be carried on both networks?

3. Is there a decision not to carry regular Saturday telecasts on the English network because of centennial sports events?

4. If the answer to part 3 is yes, what centennial sports events have been telecast in that Saturday time period to the date of answer, and what events will be telecast during the remaining Saturday time periods until the end of September?

5. How many letters requesting continuance of the baseball telecasts have been received by the C.B.C. at (a) Ottawa (b) its regional offices, by location, and number?

6. By the same breakdown as in part 5, how many letters have been received approving the decision not to telecast baseball games on a regular basis?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the C.B.C. as follows: 1. (a) 14. (b) 6.

2. (a) English network only. (b) English and French networks.

3. No single factor influenced the decision not to carry the baseball game of the week every Saturday. The flexibility required for centennial programming was one factor. Another was that in most parts of Canada, audience interest in T.V. coverage of baseball has waned.

4. Coverage of a variety of sports events in Canada during 1967 has been scheduled in the Saturday sports magazine program "Kaleidosport" including Canadian championship events in gymnastics, track and field, gliding and such events as the Pan-American games trials, championship soccer, boxing, racing, etc. Other events in the Saturday afternoon sports schedule from May to September include the Grand Prix, Kentucky Derby, FA Cup final and the Preakness in May; the Belmont Stakes and the Queen's Plate in June; the Canadian golf championship, baseball game of the week and Pan-American games in July; the Pan-American games, baseball game of the week and C.P.G.A. golf tournament in August; baseball game of the week and C.F.L. football in September. The World Series follows in October.

5. Ottawa 15, Montreal 2, Toronto 121*, Halifax 4, Winnipeg 6, Edmonton 2, Vancouver 5.

*Most of the mail received at Toronto, including several organized petitions, came from viewers in the maritimes.

6. Five letters received at Toronto.

PROPOSED TARIFF CHANGES RESPECTING CONTAINERBOARD

Question No. 184—**Mr. Orlikow:**

Is the government considering implementation of the recommendation in the report of the restrictive

trade practices commission on the acquisition of the common shares of Hendershot Paper Products Limited by Canadian International Paper Company to the effect that certain tariff changes should be made which it considered would protect the public from unnecessarily high prices of containerboard and shipping containers and would assist in removing the restrictive effects on the supply of containerboard which are inherent in the situation where a predominant part of the containerboard production in Canada is made by integrated companies and is used in their own converting operations?

Hon. Mitchell Sharp (Minister of Finance): As a result of the Kennedy round of international trade negotiations the most favoured nation duty on containerboard and fibreboard shipping containers will be reduced from 20 per cent to 15 per cent.

QUALIFICATION AS ELECTORS BY OATH OR AFFIDAVIT

Question No. 228—**Mr. Stanbury:**

1. In each province, how many persons at the last general election either applied for and obtained registration as electors or took oaths or affidavits of qualification as electors?

2. How many of such persons in each province were (a) Canadian citizens (b) not Canadian citizens?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Chief Electoral Officer as follows: 1. The information is not available as a person who is a Canadian citizen or other British subject is not required, when being enumerated, to specify in which of these categories he falls. With regards to oaths and affidavits, the only oaths and affidavits that an elector can be called upon to subscribe to are those set out in schedule 1 to the Canada Elections Act. Amongst other requisites, such oaths or affidavits only require a person to swear to the fact that he is a Canadian citizen or other British subject and he is not required to swear in which of these categories he falls.

2. (a) See 1 above. (b) See 1 above.

APPLICATIONS UNDER MANPOWER MOBILITY PROGRAM

Question No. 247—**Mr. Godin:**

Under the manpower mobility program (a) how many applications have been submitted to the Department of Manpower and Immigration since April 1, 1967 (b) how many have been accepted (c) what were the amounts granted (i) in each of the provinces (ii) in the constituency of Portneuf?

[*Translation*]

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): From April 1, 1967 to May 31, 1967: (a) 3,942 applications for grants had been received at the Canada manpower centres of the Department of Manpower and Immigration. (b) 3,409 of the applications had been authorized. (c) (i) Newfoundland, $40,000; Prince Edward Island, $5,800; Nova Scotia, $53,000; New Brunswick, $5,500; Quebec, $192,642; Ontario, $257,566; Manitoba, $30,817; Saskatchewan, $21,691; Alberta, $39,527; British Columbia, $110,171. (ii) Constituency of Portneuf, $955.

N.B.: The dollar figures are the total amounts committed and paid in each province. The greater part of the amount committed in each province is for applications initiated in that province. However, when a worker moves from one province to another, payments may be made in the province from which he moves and also in the province to which he moves, particularly when a worker files an application after finding suitable employment.

[*English*]

*COST OF HABITAT '67 AT EXPO

Question No. 249—**Mr. Coates:**

1. What was the final cost of construction Habitat '67 at Expo '67?

2. Of the total cost of Habitat '67, how much will be born by the federal government and what portion, if any, will be the responsibility of the province of Quebec and the city of Montreal?

3. How much has been received in rentals from Habitat '67 to date, and what is the estimate of rentals for the period of the world exhibition?

4. What is the estimated salvage value of Habitat '67?

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): 1. The estimated total cost of constructing Habitat is $22,195,920 in accordance with the approved master plan cost estimates of the corporation.

2. The total cost of Habitat '67 will be borne in accordance with the tripartite agreement among the three levels of government, i.e. 50 per cent federal, 37½ per cent provincial and 12½ per cent city of Montreal.

3. The amount received in rentals from Habitat '67 up to and including June 30 is $92,370. The estimate of rentals for the period of the world exhibition is $281,000.

4. The asset value of Habitat '67 is not yet finalized.

Questions

GROCERY STORE, LAC PHILIPPE, QUE.

Question No. 253—**Mr. Isabelle:**

1. Does the National Capital Commission intend to operate a grocery store on its property at Lac Philippe and, if so, how will the commission operate it or have it operated?

2. Will the N.C.C. give it to a concessionaire and erect a building?

3. Will the N.C.C. give the concession of the land to a concessionaire who will be required to erect a building on the land?

4. What will be the rental rate (a) with building (b) without building?

5. What is the name of the concessionaire for the Lac Philippe area?

Hon. G. J. McIlraith (Minister of Public Works): 1. The National Capital Commission already operates a grocery store as part of the food concession at Lac Philippe.

2. At the present time a small selection of basic supplies for campers are being sold by the present concessionaire from the pavilion at Parent Beach. This arrangement creates additional traffic congestion in the vicinity of the pavilion and consequently it is planned that a small building be erected within the commission grounds from which to sell campers' supplies. Otherwise the concession remains unchanged.

3. No. See answer to part 2 above.

4. Not applicable.

5. Mr. Jake Goneau.

DEFENCE PRODUCTION CONTRACTS IN WESTERN PROVINCES

Question No. 257—**Mr. Schreyer:**

Of the total expenditure by the Department of Defence Production in the last fiscal year, what proportion was paid out on prime contracts to contractors whose mailing address was in (a) Manitoba (b) Saskatchewan (c) Alberta (d) British Columbia?

Hon. C. M. Drury (Minister of Industry): Insofar as the Department of Defence Production is concerned:

	Head office		Regional offices		Combined totals	
	Dollar value	Percent of total	Dollar value	Percent of total	Dollar value	Percent of total
Manitoba	16,445,000	2.12	8,043,000	9.46	24,488,000	2.8
Saskatchewan	738,000	.10	3,258,000	3.83	3,996,000	.5
Alberta	7,436,000	.96	10,317,000	12.14	17,753,000	2.1
British Columbia	14,504,000	1.87	9,501,000	11.18	24,005,000	2.8
	39,123,000	5.05	31,119,000	36.61	70,242,000	8.2

NOTE: The total value of contracts placed in Canada during the F/M 1966-67 for regional offices was $84M and the total amount for head office contracts was $775M making a combined total of $859M.

"BIBLIOGRAPHY OF SEISMOLOGY"

Question No. 261—**Mr. McCleave:**

1. Is the publication *Bibliography of Seismology, items 18999-19426, September-December 1964* by F. E. Langill now permanently out of print?

2. If so (a) why was the same listed in the daily checklist of government publications on May 23, 1967 (b) when did the Department of Energy, Mines and Resources and/or the Queen's Printer exhaust their supplies of this publication?

Hon. Judy V. LaMarsh (Secretary of State): 1. No. Copies are available from Department of Energy, Mines and Resources.

2. (a) Publication listed on daily check list of government publications because 200 copies had been supplied by the department concerned for that purpose. (b) See reply to (1) above insofar as Department of Energy, Mines and Resources is concerned. Queen's Printer exhausted their supply within a few days from the issue of the daily check list.

[Mrs. Rideout.]

AIR CANADA CONTRACTS WITH OTHER AIR CARRIERS

Question No. 278—**Mr. Thompson:**

1. What (a) foreign (b) Canadian air carriers are under contract to Air Canada for the conveyance of passengers and/or freight from Canadian airports to foreign destinations?

2. What are the dates of commencement and termination of such contracts?

3. What are the terms of contract, including financial arrangements, with these carriers?

4. What are the frequencies and destinations of such carrier flights at the present time?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows: 1 (a) Standard Airways Inc. Seattle, Washington, U.S.A. Overseas National Airways Inc. Jamaica, N.Y., U.S.A. Seaboard World Airlines Inc. Jamaica, N.Y., U.S.A. (b) None.

2.

Contract	Commencement	Termination
Standard Airways Inc.	May 1, 1967	Sept. 29, 1967
Overseas National Airways	June 18, 1967	Sept. 16, 1967
Seaboard World Airlines	Apr. 10, 1967	Sept. 10, 1967

3. This is proprietary information which cannot be divulged.

4. Standard Airways Inc. Between Toronto and New York

Depart New York	Arrive Toronto	Depart Toronto	Arrive New York
0615 EDT*	0735 EDT*	0830 EDT	0945 EDT
1100 EDT	1220 EDT	1330 EDT	1445 EDT
1600 EDT	1720 EDT	1850 EDT	2005 EDT
2120 EDT**	2240 EDT**		

*Mondays only.
**Mondays, Tuesdays, Wednesdays and Thursdays only.

Overseas National Airways Inc. Between Montreal and New York. June 18—Depart Montreal 2225 EDT—Arrive New York 2340 EDT.

June 19—August 31, 1967:

Depart New York	Arrive Montreal	Depart Montreal	Arrive New York
0745 EDT	0900 EDT	1020 EDT	1135 EDT
1245 EDT	1405 EDT	1710 EDT	1830 EDT
1945 EDT	2105 EDT	2225 EDT	2340 EDT

September 1—September 16, 1967:

Depart New York	Arrive Montreal	Depart Montreal	Arrive New York
0705 EDT	0820 EDT	0940 EDT	1055 EDT
1210 EDT	1330 EDT	1500 EDT	1615 EDT
1735 EDT	1855 EDT	2350 EDT	0105 EDT

Seaboard World Airlines Inc. (Freight only).

Four flight frequencies per week serving Frankfurt, Zurich, Paris, London, Prestwick, Montreal and Toronto.

BILINGUALISM IN BUREAU OF STATISTICS

Question No. 284—**Mr. Caouette:**

1. What is the total number of civil servants in the Dominion Bureau of Statistics, and (a) how many speak English only (b) how many speak French only (c) how many are bilingual?

2. During the last three years, what was the yearly total number of publications issued by D.B.S., and (a) how many of these publications are in English only (b) how many in French only (c) how many are bilingual?

3. How many times has a reply been given by D.B.S. that a publication was published in (a) French only (b) English only?

4. During the last three years, what steps were taken by D.B.S. in order to ensure that French and English are on the same basis?

5. Does the government intend to appoint a full time adviser on bilingualism to D.B.S.?

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. The number of civil servants in the Dominion Bureau of Statistics is as follows: (a) who speak English only, 1,765; (b) who speak French only, 25; (c) who are bilingual, 906.

2. The number of publications issued by DBS during the last three years is as follows:

	1965	1966	1967
(a) English	615	607	634
(b) French (1)	54	54	56
(c) Bilingual	350	397	456

(1) Counterpart of each title included in the numbers shown opposite English.

3. Information is not available.

4. The Dominion Bureau of Statistics has been increasing the number of publications available in both French and English to the full extent of the translation resources which could be made available for this purpose.

5. Yes.

[*English*]

LOANS UNDER FISHERIES IMPROVEMENT ACT

Question No. 291—**Mr. Stefanson:**

How many loans were made to fishermen during the past five years under the Fisheries Improvement Loans Act, giving the number of loans and the total amount of loans by provinces for each year?

Hon. Mitchell Sharp (Minister of Finance): A total of 1,273 loans amounting to $3,621,194 have been made to fishermen under this act in the last five years. The breakdown of these figures by province and by year is shown on the attached table.

THE FISHERIES IMPROVEMENT LOANS ACT

FISCAL YEAR ENDING

Province	March 31, 1963		March 31, 1964		March 31, 1965		March 31, 1966		March 31, 1967		Total last five years	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
British Columbia	35	$ 96,762	39	$119,258	48	$149,930	113	$ 653,029	173	$1,045,975	408	$2,064,954
Alberta	—	—	—	—	—	—	—	—	—	—	—	—
Saskatchewan	—	—	—	—	—	—	—	—	—	—	—	—
Manitoba	—	—	—	—	2	7,500	2	4,000	1	8,400	5	19,900
Ontario	5	13,165	6	8,268	5	2,960	5	16,805	13	17,600	34	58,798
Quebec	19	11,324	12	9,630	11	9,660	8	8,800	8	8,198	58	47,612
New Brunswick	1	965	3	4,020	3	7,500	4	9,824	1	1,200	12	23,509
Nova Scotia	39	42,348	78	146,572	84	173,225	95	233,725	69	214,060	365	809,930
Prince Edward Island	43	48,617	63	79,641	84	106,598	112	170,054	83	185,106	385	590,016
Newfoundland	2	1,635	1	840	1	2,275	2	1,725	—	—	6	6,475
Total	144	$214,816	202	$368,229	238	$459,648	341	$1,097,962	348	$1,480,539	1,273	$3,621,194

Questions

FHE-400 HYDROFOIL

Question No. 292—**Mr. Ormiston:**

1. What has been the cost of developing the FHE-400 hydrofoil to date?
2. What is the further anticipated expenditure before this craft is operational?
3. What is the anticipated operational date for this craft?
4. What is the propulsion system used in this craft?
5. Have any breakdowns occurred in this craft during proficiency trials and, if so (a) how many (b) of what type?
6. Have the jet propulsion and electric type systems been considered for use in the FHE-400 hydrofoil?
7. What was the extent of damage incurred by the recent fire in the FHE-400 hydrofoil?
8. To what sections of the hydrofoil was this confined?
9. Has the damage been repaired and, if so, at what cost?
10. What was the solution used in the hydraulic system of the FHE-400 hydrofoil?

Hon. C. M. Drury (Minister of Industry): Insofar as the Department of Defence Production is concerned:

1. The total cost to date (31 May 1967) of the FHE 400 Hydrofoil project is $37.088 million, i.e., $29.940M for the ship and $7.148M for the weapons system.

2. The further anticipated expenditure before this craft is fully operational is estimated at $12.918 million, i.e., $9.934M for the ship and $2.984M for the weapons system.

3. The ship will be fully operational upon completion of the weapons system installation scheduled for November 1969. Acceptance trials for the ship without its weapons system are expected to complete by September 1968.

4. Two separate propulsion systems are to be installed, namely foilborne and hullborne. Both systems are of the conventional mechanical type. The foilborne system is driven by a Pratt and Whitney FT4 A-2 gas turbine engine. The hullborne system is driven by a Paxman 16YJCM diesel engine.

5. All mechanical equipment received to date has been bench operated and tested at the makers' plants. There have been three significant breakdowns to date and these have been in components being specially developed for FHE 400. These are:— (a) Bevel gear failure in the foilborne transmission bevel gearbox due to a fabrication problem which has since been corrected. (b) Failure in the 2nd reduction epicyclic gearbox of the foilborne transmission. This occurred on June 7, 1967, and is presently under investigation. (c) Failure of an amplifier unit of the type used in the anhedral tip and steering actuator. A modified unit is now being manufactured.

6. Both jet propulsion and electric type systems were considered for use in FHE 400 and were rejected for reasons of weight, size, or inefficiency at hydrofoil speed ranges.

7. Damage was sustained to ship's side plating, structural framework; deck plating, auxiliary equipment, electrical wiring, ventilation ducting and systems piping.

8. The above damage was confined, except for superficial heat and smoke damage, to the general area of the engine room.

9. Repairs to the ship and weapons systems necessitated by the fire are now in work and are expected to be completed by September 1967. The estimated cost of these repairs amounts to $3.158M.

10. The fluid used in the hydraulic system of FHE 400 was and still is hydraulic fluid to specification MIL-H-5606, a military approved hydraulic fluid which is in general use throughout the armed forces.

AREA DEVELOPMENT PROJECTS IN MANITOBA

Question No. 296—**Mr. Stefanson:**

1. How many projects have been approved in the province of Manitoba under the area development incentive program, giving designated area, capital investment and type of industry?
2. How many of these industries are already in operation or production and how many jobs have been created?

Hon. C. M. Drury (Minister of Industry): 1. 18 projects in the province of Manitoba have been approved under the area development program subject to compliance by the applicants with section 71A of the Income Tax Act or the Area Development Incentives Act and the relevant regulations, as follows:

Designated Area	Approved Projects	Capital Investment
Brandon Canada manpower centre area and adjacent designated census divisions	11	$31,487,000.
Dauphin CMC area and adjacent designated census divisions	6	$15,626,000.
The Pas CMC area	1	$ 86,000.
	18	$47,199,000.

[Mr. Sharp.]

Various types of manufacturing industries are involved in these projects: food and beverages, printing and publishing, chemicals, textiles, pharmaceuticals, machinery, plastics, optics and feed mills.

2. 13 of the approved projects are in commercial production involving 315 direct labour jobs.

DONATIONS OF STRUCTURES AT EXPO

Question No. 304—**Mr. MacDonald (Prince):**

1. What nations or participants have donated as a permanent gift their structures or equipment to Expo?

2. Will other participants be encouraged to take similar action?

3. Who will be responsible for determining the eventual use of these donations?

4. What suggestions have already been made as to future uses following Expo of structures, equipment and the Expo site?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. Several nations have indicated a desire to leave their pavilions in Canada but no nation or participant has donated its structures or equipment to the Canadian Corporation for the 1967 World Exhibition.

2. Not applicable.

3. Not applicable.

4. Numerous suggestions have been made as to the future use of the site. All such suggestions are being considered by the committee, which has been established by the sponsoring governments, to study the question of disposal of assets and to make recommendations to the governments.

EXPO ATTENDANCE AND REVENUE

Question No. 307—**Mr. Isabelle:**

1. Is the actual attendance at Expo '67 to date in excess of estimated attendance and, if so, by what percentage?

2. What is the total revenue realized by Expo '67 to date; is it in excess of estimated revenues and, if so, by what amount?

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. Actual attendance to July 3rd was 17,666,434 (up by approximately 40%). Forecast attendance to that date was 12,618,210.

2. As of June 26th, the total revenue realized was $58,539,912 against a budgeted revenue of $63,737,206.

[*English*]

PROLONGATION OF EXPO '67

Question No. 311—**Mr. Lessard:**

Has the Canadian Corporation for the 1967 World Exhibition been authorized by the Council of the International Exhibitions Bureau to prolong Expo '67?

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): Yes, authorization has been given to prolong the 1967 World Exhibition for two days until October 29.

[*English*]

PUBLIC SERVICE PERSONNEL

Question No. 312—**Mr. Horner (Acadia):**

How many civil servants were and are now employed by the federal government for the years 1960 to 1967 inclusive?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): The number of civil servants employed by the federal government under the Civil Service Act, as at September 30, 1960 to 1966 is as follows:

Year	Number
1960	131,953
1961	137,327
1962	138,867
1963	137,818
1964	138,666
1965	140,206
1966	145,783
1967	not available

ABOLITION OF DRUG PATENTS

Question No. 314—**Mr. Orlikow:**

Has the government reached any decision as to the desirability of implementing the recommendation of the report of 1963 of the restrictive trade practices commission on the manufacture, distribution and sale of drugs that "patents with respect to drugs be abolished" since "in the opinion of the commission this is the only effective remedy to reduce the price of drugs in Canada"?

Hon. John N. Turner (Registrar General): In response to a similar question (unrevised *Hansard*, May 4, 1966, page 4688) the then President of the Privy Council stated that while careful consideration was being given to the recommendations contained in the report, it was not expected that a decision would be made until after the report of the special committee on drug costs and prices had been received. Upon receipt of the final report of the committee on April 3, 1967, it was referred immediately to departmental

officials. The recommendations contained in the committee's report will be considered on an urgent basis over the summer months in conjunction with the recommendations contained in the reports of the restrictive trade practices commission and the royal commission on health services. It is intended that any announcement about legislation in connection with the various recommendations will be made to parliament in the autumn.

*ENTRY TO CANADA OF KO CHUCK-HUNG

Question No. 320—**Mr. Hamilton:**

Has Mr. Ko Chuck-Hung of Hong Kong entered Canada since June 11, 1967?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): The answer to the question is as follows: The Department of Manpower and Immigration has no record of Mr. Ko Chuck-Hung having entered Canada since June 11, 1967.

AGRICULTURE TASK FORCE

Question No. 331—**Mr. Godin:**

1. Has the task force begun its investigation of agricultural problems?

2. If so, what are the names and addresses of its members?

Hon. J. J. Greene (Minister of Agriculture):

1. No.

2. Not applicable.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN CENTENNIAL ADVERTISING COSTS

Question No. 118—**Mr. Allard:**

1. With regard to advertising in connection with the centennial celebrations, what amount has been spent so far by the federal government or its agencies and by the centennial commission, both in Canada and abroad, and in each province?

2. With regard to the details in part 1, what are the estimates for this advertising?

3. What proportion has been spent on French language advertising in the following media: television, radio, newspapers, periodicals, booklets, pamphlets, billboards, circulars or other written or similar advertising material, flags, medallions or other advertising articles, indicating for each category the total amount spent on French language advertising?

4. With regard to the categories in part 3, what proportion has been spent on bilingual advertising for the same advertising media, the same printed matter, or the same items?

[Mr. Turner.]

5. With regard to the categories in part 3, what proportion has been spent on advertising in languages other than French or English, both in Canada and abroad, and in each province?

Return tabled.

PROVISION FOR PAYMENT OF RESEARCH STAFF

Question No. 168—**Mr. Orlikow:**

What amount of money was placed in the estimates in the last three years for research programs by the National Research Council and the Defence Research Board for the payment of staff for the research programs and, of this amount, how much was actually spent?

Return tabled.

CANADA PENSION PLAN

Question No. 240—**Mr. Horner (Acadia):**

1. How much money has been accumulated in the Canada Pension Plan fund since its inception?

2. How much money from the Canada Pension Plan has been loaned back to the provinces?

3. What are the different amounts of money loaned back to each province?

4. How much money has been paid out of the Canada Pension Plan to date for pensions?

5. What has been the total administration cost to date of the Canada Pension Plan?

Return tabled.

*C.B.C. TELECAST OF UN PROCEEDINGS

Question No. 275—**Mr. McCleave:**

1. Did the Canadian Broadcasting Corporation broadcast live the proceedings from the United Nations security council on June 10, 1967, over Port Arthur station CKPR-TV and, if not, for what reason?

2. Which (a) CBC-TV stations (b) affiliates, carried the said program and which, if any, did not?

Return tabled.

OIL AND GAS PRODUCTION, VALUE AND DISTRIBUTION

Question No. 279—**Mr. Southam:**

1. What was the total production of crude oil and natural gas in Canada during the years 1964, 1965 and 1966 in barrels, and cubic feet, respectively?

2. What was the production for each province, the Yukon and the Northwest Territories in each case in the years 1964, 1965 and 1966?

3. What was the dollar value for each of the years referred to for both crude oil and natural gas for Canada and each province, the Yukon and the Northwest Territories?

4. In what markets were these products disposed of in each year, and in what value, giving quantity and dollar value in the case of each province, the Yukon and the Northwest Territories?

Return tabled.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I rise on a point of order in connection with starred question No. 330. This portion of the session will come to an end on Friday and the information I seek is readily available. It has to do with the licence or certificate granted to the Bank of Western Canada and certain other matters ancillary thereto. I am asking that this question be answered before we adjourn on Friday. There have been too many shenanigans in connection with the Bank of Western Canada, and we want this information.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, may I say to the right hon. gentleman that the reply was on my desk this morning, and I will give it before the house adjourns.

[*Later:*]

Mr. Sharp: Mr. Speaker, the right hon. Leader of the Opposition asked if we could give today the answer to starred question No. 330. If I have unanimous leave, may we revert to questions so I may answer it?

Mr. Speaker: Is it agreed that we revert to questions for the purpose of considering this one answer?

Some hon. Members: Agreed.

*BANK OF WESTERN CANADA

Question No. 330—**Mr. Diefenbaker:**

1. On what date was a license or certificate to begin operations issued to the Bank of Western Canada?

2. To whom was the license issued?

3. Who were the major shareholders of the Bank of Western Canada at the time of the issuing of the license to operate?

4. What is the date when British International Finance was exempted from the limitation to 10 per cent of the stocks which any one shareholder could hold in said bank?

5. Why was such exemption granted?

6. According to the latest reports to the government, have (a) British International Finance, and/or (b) Sinclair Stevens any shares in the said bank?

Hon. Mitchell Sharp (Minister of Finance): The answer to question No. 1 is December 8, 1966.

The answer to question No. 2 is Bank of Western Canada.

The answer to question No. 3 is Wellington Financial Corporation Limited, name later changed to York Lambton Corporation, Canadian Finance and Investments Limited and York Trust and Savings Corporation.

The answer to question No. 4 is Treasury Board order No. 658534 issued on August 3, 1966, pursuant to section 9 of an act to incorporate Bank of Western Canada, exempted the three corporations named under (3) above and any other corporations and individuals associated with them from the 10 per cent limitation, up to a maximum of 471,500 shares out of the original issue of 865,000 shares.

The answer to question No. 5 is the provisions of section 9 of the act to incorporate Bank of Western Canada are similar to those of section 57 in the Bank Act. They are intended to facilitate the establishment of new banks in Canada by making it possible for government to approve a group of resident shareholders holding more than 10 per cent of a new bank's shares during the first years of its operations and before the bank had established an earnings record which would increase the marketability of its shares to the general public. In the case of the Treasury Board order affecting Bank of Western Canada, the exemption is for a period of ten years.

The answer to question 6(a) and (b) is, the latest report to the government on individual shareholdings in Bank of Western Canada lists the holdings in excess of 500 shares. Neither British International Finance nor Sinclair Stevens is included in this list.

[*Translation*]

MOTION FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notice of motion No. 16 is acceptable to the government subject to the usual reservations as to privileged papers and the consent of government authorities concerned.

I ask, sir, that the remaining notices of motions be allowed to stand.

[*English*]

MINIMUM SECURITY INSTITUTION, P.E.I.

Motion No. 16—**Mr. McQuaid:**

That a humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all documents and correspondence between the federal government or any of its departments or agencies and the

government of Prince Edward Island and any of its departments or agencies relative to the establishment of a minimum security institution in Prince Edward Island.

Motion agreed to.

UNITED NATIONS

MIDDLE EAST—CANADIAN POSITION ON RESOLUTIONS BEFORE GENERAL ASSEMBLY

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 for External Affairs whether he will table the various resolutions that were put before the United Nations general assembly yesterday. Indeed, I might go further and suggest, if the house would agree and the minister were favourable, that they be printed as an appendix to *Votes and Proceedings,* because they are of great importance.

With regard to the Pakistani resolution which Canada voted in favour of, I would ask the minister what the government has in mind regarding the city of Jerusalem, in view of the fact that the resolution sponsored by Pakistan states that the measures taken by Israel to change the status of Jerusalem are invalid, calls upon Israel to rescind all measures already taken and to desist forthwith from taking any action which would alter the status of Jerusalem, and requests the Secretary General to report to the United Nations general assembly and to the security council on the situation.

In view of Canada's vote in favour of this resolution and against the action taken by Israel in Jerusalem, what is the stand of Canada regarding the city of Jerusalem as a whole?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I hope I may be allowed to deal with the subject in a more extended way than is normally done under orders of the day because of the importance of the question.

In the statement I made before the general assembly I said that Canada felt there should be no precipitous action taken with regard to the matter of Jerusalem by any party concerned. I also stated that our primary concern was for the right of access to the holy places by the three main religious communities, namely the Christians, the Moslems and the Jews.

[Mr. McQuaid.]

Yesterday my hon. friend asked me what we were going to do about the Pakistani resolution, and I told him I was not in a position to give him an answer because consultations were taking place then with regard to the wording of the resolution. The changes being considered were not, however, accepted.

Along with 98 other members of the United Nations we supported the Pakistan resolution because we felt that to do otherwise might render more difficult the task of establishing practical arrangements in respect of Jerusalem and the holy places. All along our policy has been to promote, through all available means, a fair and balanced settlement which may endure in the Middle East. It was for this reason we supported the Latin American resolution. We also opposed any demand for a withdrawal of Israeli forces which was not related to legitimate Israeli claims and rights, and which did not deal with the state of belligerency exercised by certain countries against Israel.

Over the years we have discouraged unilateral action with respect to the city of Jerusalem and the status of the holy places, as well as other sensitive issues in the Middle East. We have urged the acceptance of a United Nations role to safeguard the holy places and to facilitate international agreement on the other outstanding issues. We have felt that there should be further United Nations consideration of the question of Jerusalem, and we have endorsed suggestions that the general assembly should discuss this problem during its next regular session, following the report which will be made by the secretary general. We believe that the pause thus provided would give all concerned an opportunity for careful and mature consideration of this very vital matter. This position does not in any way prejudge our views on the ultimate terms of a settlement for Jerusalem.

Mr. Diefenbaker: I ask the minister, Mr. Speaker, when he says the matter is going to be left in abeyance for consideration at the next regular session, whether this portion of the Pakistan resolution is not most condemnatory of Israel, in that it calls upon Israel to rescind all measures already taken and to desist forthwith from any action which would alter the state of Jerusalem. Does this not mean that Canada believes what has been done is illegal, and says to Israel "This must end now"? Is this not what the section means?

Mr. Martin (Essex East): The Canadian government refused to join in another resolution that called for condemnation of Israel. The Pakistan resolution simply directs the attention of Israel to the opinion of 99 members of the United Nations who feel that there should be no final unilateral action taken now with regard to the disposition of Jerusalem. In response, the government of Israel say that what they have done has been to provide for common administrative services for the two sections of the city. I hope that between now and the time the next general assembly meets to consider this matter, as well as other matters that must be the subject of negotiation, Canada and other countries will be able to encourage an arrangement that will lead to a durable peace in the area.

I do not believe the resolution is open to the interpretation my right hon. friend places upon it. If it were really open to that interpretation, it would not have been possible for Canada to take the position she felt, in all responsibility, she must take yesterday. We have insisted that these problems in the Middle East can only be settled by recognizing the statehood of Israel, the right of free navigation, the right of territorial integrity, the solution of the refugee problem, and as well, of course, guaranteed access to the holy places. What the final position will be in September will depend upon the nature of the negotiations which we hope it will be possible to encourage as a result of the appointment of someone to represent the Secretary General and the United Nations.

Mr. Diefenbaker: A further supplementary question in connection with this matter, Mr. Speaker. In view of the statement by the minister, how does he explain the words in the resolution by which Canada declares that these measures just taken by Israel are invalid and calls upon Israel to rescind all measures already taken? This is not a decision to wait until fall or the next meeting, but is to be dealt with now.

Second, as the minister mentioned the refugee problem, has Canada made any offer to absorb any definite number of refugees?

Mr. Speaker: Order, please. Before going to the right hon. gentleman's third supplementary question, I have allowed the first part of the supplementary to which the minister might want to reply, but there are other members who want to ask supplementaries in connection with the first problem raised by the Leader of the Opposition.

Hon. D. S. Harkness (Calgary North): I have a supplementary question, Mr. Speaker. I should like to ask the minister whether it is anticipated that the security council will take any action on this resolution during the period before the assembly meets again. May I also ask whether it is anticipated that the security council will be taking action on the other matters in dispute between Israel and the Arab countries.

Mr. Martin (Essex East): Mr. Speaker, as my hon. friend knows the government's view was that the matter should have been left with the security council. We were not anxious for the calling of a general assembly, but when 62 member states indicated that they wanted one to be convoked, we did not register any objection. I would hope that in the interest of a settlement the matter might return to the security council as quickly as possible.

Whether the security council will act under article 7 is a matter to be determined by that body. I think that the vote taken yesterday will indicate the very deep understanding which many countries have of the problems of Israel. I am sure Israel will read the results of these votes in the light of the position that countries like Britain, Canada and New Zealand took with regard to the Yugoslav resolution, which sought to ask for a withdrawal of Israeli forces without doing anything about recognizing the legitimate claims of Israel.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, my question is supplementary to the original question asked by the Leader of the Opposition and is directed, of course, to the Secretary of State for External Affairs. Is Canada planning to take any steps to bring before the security council the reported pouring of arms into Egypt by the Soviet union, which is just tantamount to pouring gasoline on a fire? In view of the fact that the minister said in an answer to questions this morning that he was hoping to negotiate a final settlement of the matter, is Canada planning to take any steps in this regard?

Mr. Martin (Essex East): Mr. Speaker, I should not say that Canada is planning to take steps; Canada has already taken the necessary steps. In the statement I made in the general assembly I pointed out that Canada was not selling any arms to any

country in the Middle East, and I went on to urge that all countries that have been selling arms to the various sides desist, so we might find a means of bringing about stability and peace in the area. When the security council meets and this question is again submitted, this will be the position of our ambassador in the security council.

Mr. Nesbitt: A further supplementary question. In view of the fact that arms, particularly aircraft, are flowing into Egypt at an enormous rate, does the minister not think it might be a good idea to have the matter brought before the security council now before it is too late?

Mr. Martin (Essex East): Mr. Speaker, I can assure my hon. friend that the government has expressed its strong views on this matter. It has been engaged in consultations on controlling the flow of arms to the Middle East which we believe are more likely to bring about the result that my hon. friend urges on us. Certainly I agree fully with him that if we are going to resolve this problem, those countries which have been supplying arms to the various parties ought to recognize that the time has come when this should stop.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, earlier I asked the minister whether he would give consideration to tabling the four resolutions that are before the United Nations assembly. I suggest that they be attached as an appendix to *Votes and Proceedings.*

Mr. Martin (Essex East): I am sorry, Mr. Speaker; I forgot to do that, but I will.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

EXTERNAL AFFAIRS

CYPRUS—REPORTED RUSSIAN STATEMENT ON POSSIBLE COUP

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I direct my question to the Secretary of State for External Affairs. In view of the fact that the official news agency of the Russian government has indicated in a public statement that a coup is about to take place in Cyprus, that the statement accuses NATO forces of exploiting the Greek situation, and having in mind what happened in a similar vein before the Middle East crisis developed, has the minister any word for us about this situation, particularly as it might relate to our own peace keeping forces in Cyprus?

Hon. Paul Martin (Secretary of State for External Affairs): I have not, Mr. Speaker.

MR. LEO LANDREVILLE

INQUIRY AS TO RECEIPT OF PENSION UNDER JUDGES ACT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Justice. Is it now the government's position that it will not award a judge's pension to Mr. Leo Landreville without first bringing the matter before parliament?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, I think I can answer yes to that question.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I hope that with the same facility the minister will be able to answer no to the question whether Landreville is going to get a pension through the action of the cabinet. Would the minister reply to that?

Mr. Trudeau: I will be able to answer no to that question, Mr. Speaker, when the Leader of the Opposition can state as a matter of general principle that no man who has been retired from the civil service or any other form of employment deserves a pension for any consideration.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker, that is a half-dressed answer and is not in keeping with the House of Commons. I ask the minister this. Is Landreville going to receive a pension or retirement allowance of $18,266, or any lesser sum, per annum? Don't give me those kind of answers.

Mr. Trudeau: Mr. Speaker, I have told the house I have not yet made up my mind on this point. I explained the matter quite fully the other day in the standing committee on justice and legal affairs. I added, as I have said just now to the Leader of the Opposition, that I had not made up my mind whether the punishment which has been meted out to this man for something which was not done in the discharge of his duties should extend indefinitely.

Mr. Diefenbaker: That is a half-dressed answer not in keeping with the practice in this house.

Mr. Trudeau: Get to your feet.

Mr. Diefenbaker: The minister tells me to rise. I say to him that that answer is not—

Mr. Speaker: Order, please.

Mr. Diefenbaker: —in keeping with parliament and—

Some hon. Members: Order.

Mr. Speaker: Order, please. I believe the hon. member for Winnipeg North Centre has a supplementary question.

Mr. Diefenbaker: Mr. Speaker, I am not going to be howled down in that fashion. The hon. gentleman should be more considerate of the house, dressed most improperly as he is.

Mr. Martin (Essex East): Mr. Speaker, I do not want to prolong this argument. I should like to divert it, but I am sure you will agree with me that it is not within the rules of the house for one member to comment on the dress of another member.

Mr. MacInnis (Cape Breton South): Which rules are you talking about?

Mr. Diefenbaker: The proprieties of parliament are to be upheld even by the Minister of Justice.

Mr. Speaker: May we please have order and return to the question originally raised. I will allow the hon. member for Winnipeg North Centre to ask a supplementary question.

Mr. Knowles: Mr. Speaker, my supplementary question to the Minister of Justice is based on his reply to my first question. In view of his statement that the government will not act on this matter without bringing it before parliament, can we therefore be assured that there will be no executive action on this question while parliament is in recess?

Mr. Trudeau: Mr. Speaker, the hon. member really is asking for an interpretation of law. The Judges Act makes it pretty difficult for the executive to act without going before the house either for an amendment to the Judges Act or with an item in the estimates. I said it is pretty difficult, though I am not convinced as a point of law that it is completely impossible.

Mr. Knowles: A further supplementary question, Mr. Speaker. Does the answer which the minister just now gave qualify his first answer on this question?

Mr. Speaker: Order, please. That supplementary question is not acceptable.

Mr. Donald MacInnis (Cape Breton South): A supplementary question, Mr. Speaker. The Minister of Justice has indicated that he has not made up his mind on the one matter. Has the Minister of Manpower and Immigration in the meantime made up his mind about what is to be done with respect to Judge Meunier's pension? That judge was under sentence to serve a prison term.

Mr. Speaker: Order, please.

TRANSPORT

INQUIRY AS TO ESTABLISHMENT OF NEW COMMISSION

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I wish to direct a question to the Minister of Transport. Its urgency is based on the widespread interest of the people in western Canada in the applications now pending with respect to rail line abandonment, the master agency plan and other pertinent matters. Can the minister say when the new transport commission will be fully constituted and operational?

Hon. J. W. Pickersgill (Minister of Transport): I think, sir, the experience of anyone who has ever served in the government is that to make predictions about something that will happen in future is a very unwise and imprudent occupation. Having said that, I hope it will not be very long.

AIR TRANSPORT

INQUIRY AS TO HEARING ON PRAIRIE SERVICES

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): May I ask a question about a related subject, Mr. Speaker. Can the minister inform the house when the hearing with respect to the TransAir prairie service will be held? That is a matter of great and urgent importance.

Hon. J. W. Pickersgill (Minister of Transport): I understand that the only delay is occasioned by certain respondents who under the law have the right to present written

submissions before the hearings can be held. The necessary delays have not yet expired. If it should prove that my recollections are incorrect I shall correct them tomorrow.

LABOUR CONDITIONS

KEEWATIN, ONT.—ALTERNATIVE EMPLOYMENT FOR WORKERS DISPLACED BY FIRE

On the orders of the day:

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, yesterday the hon. members for Kenora-Rainy River and Winnipeg North Centre asked a question about the situation prevailing in Keewatin, Ontario, because of the flour mill which had been destroyed by fire. I am informed that yesterday the executives of this company flew from Montreal to Keewatin to take a decision about the future of the mill. In the meantime the Canada manpower centre from Keewatin went to the site of the mill and interviewed all the staff involved, approximately 100 people. These workers are presently receiving vacation pay for two weeks.

The whole range of our services will, of course, be made available, if the need arises. I also understand there is a possibility of alternative employment for the workers in the mining industry of that area. Laid off workers, should that be needed, will be considered for training courses in mining occupations.

EXTERNAL AFFAIRS

CONGO—REPORTED INVASION AND SEIZURE OF CITY

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Is it a fact that troops this morning invaded that part of the Congo that is usually known as Congo Leopoldville and seized the former city of Stanleyville? If so, from what country did these troops come?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I shall take that question as notice. I have not the full information about this, and I should like to know more.

[Mr. Pickersgill.]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CHIEF JUSTICE OF AUSTRALIA

On the orders of the day:

Hon. Paul Martin (Secretary of State for External Affairs): While I am on my feet, Mr. Speaker, may I call your attention to the presence in the gallery of the chief justice of the Supreme Court of Australia, Sir Garfield Barwick, a former and distinguished member of the government of Australia.

Some hon. Members: Hear, hear.

INDUSTRY

REQUEST FOR INVESTIGATION INTO PRICES OF PHOTOGRAPHIC SUPPLIES

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, my question is for the Minister of Justice and for the Registrar General. In view of recent and apparently unwarranted price increases for films and flash bulbs, would the ministers have officials of their departments investigate the high prices of films, flash bulbs and other photographic equipment and supplies at the wholesale and retail levels?

Mr. Speaker: Order. As we shall adjourn in a few days I hesitate to suggest that this question be placed on the order paper. However, the hon. member is making a representation, and I assume that it has been noted by someone on the government side.

Mr. Nasserden: Surely, Mr. Speaker, the ministers can say whether these investigations are to be started. I think this is an urgent matter, particularly when one considers the amount of film that is being used this year.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. J. N. Ormiston (Melville): Mr. Speaker, I had a question for the right hon. Prime Minister. In his absence may I direct it to his esteemed parliamentary secretary, the hon. member for Leeds. Has the Prime Minister received a request from the premier of Saskatchewan to name the reservoir formed by the Gardiner dam "Lake Diefenbaker"? If so, what action has been taken.

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): May I take this question as notice, Mr. Speaker.

AGRICULTURE

ONTARIO—REQUEST FOR AID TO FLOODED DISTRICTS

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): I wished to direct a question to the Minister of Agriculture but in his absence I shall direct it to the Minister of Forestry and Rural Development. In view of the severe flooding and resultant damage to crops in central Ontario has the minister received communications, either from the province of Ontario or from any other government level, regarding assistance to this area?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): I shall pass on this question to the Minister of Agriculture, Mr. Speaker.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question I would put to the parliamentary secretary to the Minister of Agriculture in consideration of the reply given by the minister of forestry to the hon. member for Simcoe East. A similar question was asked on June 29. Can the parliamentary secretary advise the house whether any action or leadership is contemplated in regard to crop damage, particularly in the lower lying lands in the province of Ontario?

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the government of course is concerned with the disaster, particularly in the Holland marsh area. The answer to the question is that no request for assistance has been made up to this time. I am of the opinion that if a request were made it would be made to the provincial government first and then come to the federal government.

Mr. Winkler: This may be the case, but I wonder if the parliamentary secretary would consider my representations on behalf of these people as an official request.

[*Translation*]

CANADIAN CENTENNIAL

APPRECIATION OF PARLIAMENT HILL CEREMONIES ON JULY 1

On the orders of the day:

Mr. Roland Godin (Portneuf): I am happy to speak on behalf of the people in my region who came to parliament hill during the week-end. The festivities were magnificent, and I join my colleagues in congratulating those who organized them. I would ask the hon. Solicitor General to add his name to the list of those who have done such an excellent job in choosing among the 849 bilingual R.C.M.P. officers those appointed to direct traffic on the hill.

• (11:50 a.m.)

[*English*]

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

The Chairman: Order. House again in committee of supply, estimates of the Department of National Health and Welfare for the fiscal year ending March 31, 1968, Vote No. 1. Vote No. 1 will be found on page 338 of the blue book and the details on page 341.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

1. Departmental administration including recoverable expenditures on behalf of the Canada Pension Plan and $500,000 for health grants and welfare grants, under terms and conditions approved by the Treasury Board, for research and demonstration activities in the field of mental retardation, $4,127,000.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, when the minister's estimates were being considered last week we heard a great deal about special needs and special groups of people. Much was said about the needs of people receiving old age security pension, about the way this pension impinged on veterans allowances, about the needs of blind people, and about the problem of retired civil servants. In addition we had discussion of medicare, involving the needs of the sick, the handicapped, the mentally ill and other groups of people.

In every case we found that although the legislation was intended to cover averages of people there were loopholes and cases where great numbers of people were either overlooked or their needs not adequately met by the legislation. In other words we have discovered that what covers the average in the way of legislative provisions in many cases fails to cover the needs of the individual.

All of this points to the necessity to take the next step in social security legislation. I believe that next step is the establishment of a guaranteed minimum annual income plan. In other words the time has come to change the old patchwork quilt for a modern electric blanket. The old quilt has stretched. Patches have been put on patches, until it has become over worn. In spite of the good solid

work being done to keep it in good shape, the old quilt is no longer adequate for present day needs, and I believe it is time we gave thought to getting a modern electric blanket in the form of a guaranteed annual income for every Canadian and every Canadian family.

A guaranteed annual income is something which has been under discussion for a number of years, and the notion has become widespread. I believe it was the great French author Victor Hugo who said there is nothing as powerful as an idea whose time has arrived. I believe the time for implementing the idea of a guaranteed annual income plan is close to arrival. Basically this idea has grown quickly.

Back in February 1966 we read in the newspapers that a 14 member commission on technology, automation and economic progress had reported in the United States. The commission had been created by congress, and its members were appointed by President Lyndon Johnson to study technological unemployment and related problems. On February 3, 1966, the commission reported to President Johnson and to congress, and recommended that every United States family be guaranteed a minimum annual income, stating that the annual cost of such a plan would range from $2 billion to $20 billion, depending on its scope. As many as 30 million Americans could be affected if the minimum income level were fixed at $3,000 a year.

I mention this to show that the idea has been seriously considered in the United States, where the figures involved both in money and people are of course much greater than they would be in Canada, but where conditions are not so much different from what they are in Canada, and where their commission considered $3,000 a year as being a suitable level for guaranteeing income. This figure has also been mentioned in Canada.

Under the United States plan the federal government would make up the difference between a family's actual income and a fixed income minimum standard. The commission reported at a time before the cost of the Viet Nam war had almost wiped out the war on poverty in the United States. Its recommendations were seriously considered at that time, and no doubt will be given further consideration before too long.

A few days after the United States commission reported, the assistant deputy minister of welfare in the province of Nova Scotia advocated a similar plan. In this connection I

[Mrs. MacInnis (Vancouver-Kingsway).]

quote from an editorial in the *Globe and Mail* of May 13, 1966, as follows:

The other day, Mr. E. R. MacKinnon, Nova Scotia's deputy minister of public welfare, proposed a similar approach to welfare cases. He believed it would remove one of the greatest causes of poverty and would encourage a man to help himself because he would be sure of a foundation on which he could build for the future.

The editorial commented:

A guaranteed minimum income is a logical step in the progress of social security measures. There is obvious merit to it, in that every Canadian would be sure of a living. Unemployment insurance and old age pensions cannot always offer a similar assurance, and a guaranteed income would cover all sections of society, regardless of age or opportunity. It would be a major step, and those concerned should begin to examine its possibilities.

• (12 noon)

Also in this connection I would like to quote from the Vancouver *Sun* of January 24, 1967. This is a syndicated article by Joseph Kraft from Washington in which he concludes with this line of thinking:

With this change—

That is, to the guaranteed income.

—there would disappear many of the invidious distinctions which now set the social security system apart from public assistance to the needy. Both the retirees and the welfare cases would, as the saying goes, be feeding from the public trough.

The line between welfare handouts and earned social security income would be blurred. So would the line between lower-class assistance, or welfare, and aid to people comfortably off, as is the case with many of the people on social security.

With these moralisms stripped away, there emerges a single problem—the problem of income maintenance for people who do not have the ability to earn enough through their own efforts. And once that problem is sharply defined, then there emerges with great force the simple logic of meeting it by a guaranteed annual income.

I should like to refer here, in speaking of welfare cases, to this reference to feeding from the public trough. I wish to suggest that, after all, the idea that those who are on welfare are the only ones who feed from the public trough is surely a little bit of an understatement. If I had to think of others who are feeding from the public trough these would include senators, members of parliament, civil servants, servants of crown corporations and all those who receive in any way, shape or form public funds for the performance of their duties or for their living. In my view it is perfectly ridiculous when talking about the public trough to refer only to the welfare cases. The only problem is that people like ourselves and other public servants are so close to the trough, in the front

row, that the welfare cases are elbowed so far away they cannot get enough feed from the public trough. Measures should be taken by which the public trough would be made more accessible to the people who need it most.

I should like now to refer to an example in respect of this need, to which I referred earlier, to replace this old patchwork quilt with a modern electric blanket. I do not intend to refer to the many, many cases in my own riding which come to my attention all the time concerning the inadequacy of the present social security measures in meeting the needs of individuals. Instead I will cite just one case from Vancouver-Kingsway which involves a respectable and respected couple whom I know. This letter shows what they are up against. In a single case it really shows the need for a guaranteed annual income. This example could be multiplied many, many times in my own riding and I am sure in the ridings of hon. members who are sitting in this house today. The letter reads as follows:

My wife and I are also in an unfortunate predicament. We are both disabled, t.b. and heart condition respectively. Our doctor put me on light work in February, 1964. Wherever I went, there was no chance of obtaining a job. Of course my age is against me—63. In some places of industry, even the place where I worked included, only gave promises. In other places I filled out application forms, like department stores, in hope to get a clean-up job or as a watchman job, punching a time clock, never had any replies from anywhere.

In the meantime I drew unemployment insurance. When it ran out I had to ask for social welfare. They also promised to locate work for me I was able to do. We are on social welfare since Aug. 25/65. We are getting $50 a month from them and $75 a month we receive from the sale of a house my wife sold for $3,800. Now, those $75 are the payments the buyer has to pay per month. The irony of it is, this above mentioned property actually belongs to the elder son who built the place for mother's sake when he still was a high school student and, of course, with some help and advice from neighbours. But the crux of the matter is, the property was on my wife's name as the son was too young at the time to have it registered in his name. That happened when my wife Helen came out of Tranquille sanatorium in 1950. Her parents did not have proper quarters nor facilities for a person in her condition. All that happened before I ever met her or knew she existed. However, I met her in 1955. I had enough money saved up by then to buy a comfortable home for us, with all the needed furniture and electric appliances, to make it as easy for her as possible to keep house because she was not feeling too well.

Now 11½ years have passed. On applying for social welfare we told our circumstances and explained to them that the property worth $3,800 belonged to our son Peter. Then from the head official in the Grandview district came the reply that the $75 per month payments on the above mentioned house has to be as part payment of social welfare considered—

This letter came a little while ago.

—because it was on my wife's name. There is nothing we can do about it so we are getting a total of $125 per month. Out of that we have to pay the yearly taxes which amounted to $195 last year with the grant already deducted. Insurance on the house and contents is $34 yearly. Light, fuel and telephone comes also pretty high. Then food and clothing, repairs and paints on the property have also to be considered—the work I do myself.

Now our major appliances are beginning to break down, like our Bendix duomatic. We had to have it because my wife cannot inhale soap vapours. We contacted the social welfare if they will pay the repairs. Again we had to wait for a reply from the head official. Next day we were informed to our dismay the social welfare does not make any allowances of the sort. Actually we are both disabled. We are both under doctor's care. Every month I have to go for blood test and doctor check-up—and take pills three times a day. So does also my wife, x-rays, pills and check-ups. Besides taking care of her old illness she is also afflicted with arthritic pains in her joints and has no way of relieving her pain. I used to, when I still was earning, take her up to Radium Hot Springs for four or five days. That was the only place she would get relief for some time. We tried other springs, they did not help. So since we cannot afford to go there any more she is continuously in pain, especially at night.

Why should we be subjected to the indignities of bare necessities of life in this affluent, dynamic society we hear so much about? We don't squander our money foolishly, nor ever did even when I was still bringing the pay checque home. Our home and family always came first and foremost. We cannot ask our sons to help us as that would not be fair to them.

He mentions some of his sons' responsibilities and so on. Then he says:

Now I am trying to get on the disabled pension because my health is not improving. If I do a bit of housework, like vacuuming I can feel the burning sensation coming on in my chest. I also tire easily when walking uphill and get out of wind.

He concludes by saying that if they could get the disabled persons pension it would be a great help, and so on. This is a man I know. He is neither a whiner nor a complainer. He has put these things down on paper of his own volition. This shows what it means to be limited to the bare essentials.

I know the minister comes from a background in the very province in respect of which the deputy minister of social welfare was speaking when he mentioned the need for a guaranteed income. I know that the minister is aware of the conditions in which these people are, who are barely existing. I feel sure that he would be inclined to push for this guaranteed annual income on a real basis, if it could be done. I hope he will not suggest

to me that I am opposed to the idea of a guaranteed annual income. We in this party are not opposed to it. What we are opposed to is the taking of something which is not a guaranteed annual income—something which bears no relation to what it costs to live—and prostituting the English language by calling it a guaranteed annual income.

• (12:10 p.m.)

What we are urging is that when a guaranteed annual income is established,—and I firmly believe it will be, but that it should be established sooner than it might,—it should be related to the cost of providing a decent living under modern circumstances. I am not suggesting anything riotous, but it must be sufficient to provide the necessities of life on a decent basis today under modern living conditions. This guaranteed annual income must rise with the cost of living and the productivity of the country.

One of the early promoters of the guaranteed annual income idea, Robert Theobald, addressed the annual meeting of the Canadian Welfare Council in Toronto the other day. He pointed out that ten years ago the very idea of devoting vast sums of money to the public sector to provide amenities and so on was the rankest heresy. Then along came J. K. Galbraith with his book "The Affluent Society" which revolutionized thinking in this direction. Today there is no argument as to whether we should put more and more funds into the public sector. The only question is how we are to raise the money to do so, and how it should be allocated.

Robert Theobald suggested that only five years ago the very idea of a war on poverty was something which did not fall within the realm of possibility. Then along came Michael Harrington with his book "The Other America". This caught the eye of President Kennedy, and was more than anything else responsible for the launching of the United States war on poverty, in which we began to take part shortly after. That was only five years ago, but today the necessity for a war on poverty is accepted.

Only three years ago it was considered absolutely foolish and far out to speak in terms of a guaranteed annual income. Today we have reached the stage when this is being considered. The only argument about it now relates to the necessity of setting it at levels which will meet a modern standard of living.

[Mrs. MacInnis (Vancouver-Kingsway).]

I believe I still have a few minutes left at my disposal and I should like to outline several specific reasons for saying we need a guaranteed annual income in Canada. First we need it to build up the self-respect of many people in this country including the elderly, the handicapped, the sick and those with low incomes. People need to feel that they are of some value. It does not matter how many accolades we pay to motherhood or senior citizenship, if we do not provide enough to meet a modern standard of living these people will not believe us when we say they are worthy citizens and that we are interested in their welfare.

While it is true that we will always have a hard core of people who cannot be trusted to use a guaranteed income in an efficient way through their own judgment or as they see fit, this does not mean the vast majority of Canadians who require a guaranteed income should be penalized because of this small hard core.

Second, we need a guaranteed annual income, because only in this way can we bring out the real individual initiative of those people who are disabled, ill or elderly. During depression years we observed what happens to people who have to live on relief for too long a period of time. We observed what happened after those years to the third and fourth generation of Canadians who have had to live on welfare. I believe the difficulty of bringing out individual initiative is one of the greatest problems faced by social workers and administrators of our government welfare departments at all levels. For this reason we must get these people to react and use their true initiative, and in this regard I believe a guaranteed annual income is vital.

Third, in order to get people to feel they belong to society we must provide from our affluence a level of living which will allow them to feel this way; that they belong, that they are counted among all members of society. A teen-age dropout is a tragedy, whether it is from school, from a job or from society generally, but a castout is infinitely a greater tragedy. A teenager still has time to clamber back into society, but the handicapped, the elderly and the ill cannot find the means of doing so. When we make these people outcasts we are contributing to this tragedy. I think we should stop making these people the rejected, the unwanted, the pariahs of our society.

Fourth, we also need a guaranteed annual income in order to develop an orderly plan

for the organization of our economy. Today we do not know how to plan production and distribution in order to provide everyone with an adequate standard of living. When we think of this age of computers and cybernetics—

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. lady but her allotted time has expired.

Mrs. MacInnis (Vancouver-Kingsway): Could I have just a few more minutes?

The Assistant Deputy Chairman: Does the committee give its unanimous consent in this regard?

Some hon. Members: Agreed.

Mrs. MacInnis (Vancouver-Kingsway): I will not be long, Mr. Chairman.

In this age of automation with all our techniques, computers and so on, we find it exceedingly difficult not only for the administrators of these different welfare schemes, but for those who must plan our economy, to develop good plans. If we had a set income floor we would know exactly what should be produced for food, housing, education, recreation and the other things essential to our modern form of living.

As I said not long ago in this house, when it comes to ironing out the booms and depressions, the inflationary periods and the reverse, a guaranteed annual income plan would indeed be a great stabilizer. We should be thinking in terms of our economy so that we do not move from crisis to crisis, from boom to bust, and then from boom to bust again. We must have something that is far more stable. In this regard I believe a guaranteed annual income would be a great stabilizer.

Fifth, we need a guaranteed annual income for economy in the true sense of the word. If we carry on with this patchwork system of social welfare and social security we will continue to find it is an uneconomical and wasteful way of doing things today. The cost for administration is wasteful and unsatisfactory. I can never get over the wastefulness of using social workers to delve into the details of means and needs tests. I know that you yourself, Mr. Chairman, through your earlier work as a social servant here in the city, have a great deal of knowledge of how necessary it is to use social workers for purposes other than inquiring into the tiny details of peoples' incomes.

The sixth and last reason I should like to advance in support of the establishment of a guaranteed annual income is the fact that if we are going to build quality into our Canadian society we can no longer afford to have people living far below a modern standard of living, particularly now when we are entering our second century.

• (12:20 p.m.)

If we want people in this country, to become interested in education and culture and things having to do with the spirit, we must see that they have enough money with which to care for the body in the first instance, so they will not have to spend their whole lives scratching as a great many people have to do just to get bread and butter and a roof over their heads. This has been the pattern for far too many people in this country. I urge the minister that together with the other programs which have been under way in this country, he pioneer the establishment of a guaranteed annual income, not just in name but in reality, based on a standard of living which will be recognizably modern and will cut out the wastefulness and patchwork nature of our old-fashioned social security schemes.

Mr. Brand: Mr. Chairman, I should like to make just a few comments on the estimates of the Department of National Health and Welfare. First of all may I take this opportunity to comment on the speech made recently on June 12, by the Minister of National Health and Welfare to the Canadian Medical Association. It refers, of course, to the beginning on July 1, 1968, of the national medicare scheme. I think this was an incredible speech. After reading it I wondered whether the minister had read it himself before delivering it at that meeting.

On page three of the speech as delivered to us by the minister's office the minister is very careful to point out that the federal medical care legislation does not presage or pave the way for state medicine or state health services; it means a program of state insured medicine, which is quite a different matter. I made this point when we were discussing this legislation earlier. I said that the government bill which is presumably coming into effect next year will not insure the people against the costs of medical care, but will insure the services of a doctor. This is something which has not as yet got through the minister's head. In other words, the doctor is unable, no matter what he does, to practise outside the scheme of medicare, as proposed by the minister, because his services are insured.

No matter what the minister may have said to the Canadian Medical Association, that it is the people who are insured, this is not the case; it is the doctors' services that are insured. I agree with some of the statements made by the minister. We hope the people will be free to choose their doctors and the doctors free to choose their patients. This will probably be the case. However, I should like the minister to understand the difference between insuring people against the costs of the services, and insuring the services of a particular person such as a physician or surgeon.

The minister comments, and quite properly I am sure, as follows:

> Some Cassandras and Jeremiahs have been predicting that the introduction of a universal program of prepaid medical care will erode the quality of patient care, that doctors' offices will be awash with waves of patients clamouring for unnecessary attention and that the valued doctor-patient relationship will somehow be immediately put assunder.

Those are tremendous words.

Mr. MacEachen: They are good, eh?

Mr. Brand: Yes; I think the speech is well written. At least the minister is not mixing his metaphors, as he does on the first page. He goes on to say:

> I am not aware of any studies which suggest that the introduction of a universal, personal health care program in any country has led to a deterioration in the quality of care given by the medical profession to its patients.

Surely after the many speeches which have been made in this house and across the country, the minister should be aware of the great shortage of doctors in Canada as compared with other countries. Despite the brave words of the minister, the situation in this respect does not seem to be improving at all; in fact it is getting worse. The minister goes on to point out that more patients will be seeking medical care because a great many people are not receiving it now. The minister makes that statement and I will read it to him if he likes. If more people will be seeking medical care and the shortage of doctors is serious and acute now, what will the situation be if more patients require care? Surely if you add two and two together you come up with the same answer no matter how you look at it.

Our biggest problem in Canada at the moment is that we do not have enough doctors and other medical personnel to look after the health needs of the people. It is said that this situation will improve because we are going to take doctors from other countries, under the policy of the Minister of Manpower and Immigration. It is said that we will bring into this country as many doctors as possible. We will forget about the morality of taking doctors away from countries which do not have enough at the moment. We should be training more doctors in Canada.

Unless we take steps to train enough doctors to handle the services that will be required we will be in a very serious situation indeed. This is the crux of the problem that faces Canada right now. My home province of Saskatchewan, which has had a comprehensive scheme of medical care since 1962, is finding it increasingly difficult to retain doctors. Patients are finding it increasingly difficult to obtain appointments with doctors because there are not enough doctors in the province to handle the demands of sick people. The problem is that there are not enough doctors.

Unless we do something now to keep Canadian graduates in this country, and try to graduate more doctors, it seems to me we are making a very serious mistake indeed. It is all very well, as the minister said in his speech, to say that perhaps we should look at other methods of treating patients. Is the minister suggesting using nursing assistants to do some of the work normally carried out by nurses? Is the suggestion perhaps that we should have physicians' assistants, persons who will carry out a great deal of the work now carried out by the physicians, perhaps doing simple things such as the examination of a person or the diagnosis of a disease? Perhaps this could be done by a partly trained assistant. Is this the minister's suggestion? He certainly makes it in his speech.

I wonder what the minister would do if he became ill and could see either a doctor or a partly trained assistant. Perhaps he would be in the same position as the hon. member for Burnaby-Coquitlam when visiting Britain a few years ago. At that time the hon. member was premier of the province of Saskatchewan. He suffered a slight disability during that visit, and rather than attend one of the clinics provided under the national health service he saw a specialist on Harley street. The visit to this specialist cost the hon. member 20 guineas, or some figure like that. Perhaps the minister would do the same thing. I do not agree with the suggestion that we should in effect lower the standard of doctors or those who are looking after people, in order to meet the demand. I believe this is nonsense and I am surprised that such a

suggestion should have been made to the centennial meeting of the Canadian Medical Association. It is incredible that the Minister of National Health and Welfare could have made such a statement.

• (12:30 p.m.)

As if this was not bad enough, he said the following as reported at page 5 of his speech:

> In some areas, doctors may well have to budget their time to ensure that the persons who need the care are the ones who receive it and those who can wait are the ones who do wait.

In other words if you go in to see a doctor, obviously it will be the patient who will do the diagnosing in the future because the doctor would not have the time to examine him. If you were to say to the doctor "I am having a heart attack", the doctor would give you a certain priority and assign you to a certain place, but then if the next patient were to come and say to him "I have an appendix attack" the doctor might tell him to wait. How else would priorities be given? "It is a matter of judgment and priorities." Surely it must be obvious to the minister that the doctor must look at the patient to decide what is the matter with him.

Perhaps the minister wants to adopt once again military medicine, or *triage*. Perhaps he would wish to set up government clinics using the *triage* method whereby the doctor would say: "This patient will go to resuscitation, the other one to the morgue and the third one straight to the operating room." Is this what the minister wants? Perhaps we should take over the east block and use it as a government clinic. In this way it might be put to better use than it has up till now.

This sort of nonsensical statement is typical of the type of thinking we seem to be running into in this day and age. It is the unrealistic thinking of a government that does not seem to realize that the health care of the people comes first and that the requirements of those who are ill come first. I cannot see myself receiving a phone call at four o'clock in the morning from a patient asking me to come to him because he is ill, and saying to him "I am sorry, but I am budgeting my time and this is my time for sleep". Perhaps to carry it to more ridiculous lengths I may suggest that if we budgeted our time properly we could see to it that we are in the operating room from 8 a.m. to 12 noon only, and when the peace tower chimes the noon hour we would lay down the scalpel and say "We have to go now to our office to see the acutely ill patients". The fact that the patient is still on the operating table with his belly opened up, and not sewn together, would not deter us from leaving him there to be looked after perhaps by one of the untrained or partially trained assistants whom the minister proposes.

I should now like to refer to an answer given by the Prime Minister on June 19, at page 1654 of *Hansard*, when the hon. member for Simcoe East asked him whether the Minister of National Health and Welfare stated at a C.M.A. meeting in Quebec that it may be necessary, when medicare comes into effect, for doctors to see their patients on a basis of priority of illness, and asked whether this represented government policy. The Prime Minister then said:

> Mr. Speaker, if that statement is alleged to have been made by the Minister of National Health and Welfare, he has told me that he did not make it.

I can well understand why he would say that. I myself would like to dissociate myself, as I understand the Prime Minister did, from any such ridiculous statement as is reported in the speech sent to me from the minister's office. I did not write it.

The minister went on to mention the fact that a nearly universal program can be expected to bring a rise in doctors' incomes in general. I will not argue the statement. If he referred to gross incomes, then what he said is probably true so far as the general practitioner is concerned. However, I would point out to the minister that although doctors' incomes may rise with an increasing number of patients, and I can give him specific examples in numbers and figures, the costs associated with the practice rise at a much higher rate than the rate of income and will produce a situation where the general practitioner with a busy practice will have to work almost continuously from 8 in the morning untill 11 at night, and very often all night, in order to provide the type of care that is necessary. I know that this is being done because I have done it myself. I am not complaining because this is the profession I chose, and I am sure it is true of most of my fellow practitioners. However, I do think it should be understood by the minister that it is not as simple as all that, namely that if a doctor will have a few more patients he will make a lot more money. A doctor does not get up at 4.30 in the morning when someone calls him on the telephone because he will make $7.35, as they do in Saskatchewan. Let the minister try and get a plumber for $20 at that hour in the morning and see if he can

get him. That is not the reason for which physicians get out of bed at that time.

I recall that in 1960, 1961 and 1962 it was being said in Saskatchewan that the doctors were opposed to medicare because under that program they were not going to make as much money. That is not true. The doctors said they would make more money, just as the minister has said. That was not the point and it still is not the point. It is not the doctors' income that is in question here but the manner in which doctors like to practise their profession, so that they can give what they feel within their professional competence is good medical care for the patients that come to see them. The patients do not come to see their doctors because the bills will be paid by the government but because they have confidence in what the doctors can do for them, and that is what is known as the doctor-patient relationship. It has nothing whatsoever to do with fees. In this I accept what the minister has said, with one proviso, that a situation similar to the one in Saskatchewan may arise, when a patient was saying: "Since the government is paying my bills I will go to three or four doctors to compare their opinions". This is what breaks down the confidence between the doctor and the patient, and unfortunately it is happening in the country today.

I will refer once again to part of the speech which appears at page 8 and which reads as follows:

> It is becoming increasingly apparent that if the public's need for the more prosaic, but still basic, medical care is to be met, it will be necessary for physicians to delegate or divest themselves of certain procedures which less highly-trained people can provide so that they can concentrate on those vital services which only a physician can supply.

I wonder what procedures the minister is referring to. The service provided by the St. John Ambulance is excellent. It is quite true that if someone has a torn radial artery and is bleeding to death, anyone who can apply direct pressure to the wound can stop the bleeding. However, instead of having the wound sewn and the artery saved, as it is possible to do these days, it will be sufficient merely to put on pressure and a pad and thus stop the bleeding and let the wound heal by itself. This is one way to do it.

• (12:40 p.m.)

I am not sure what these vital services are which only a physician can supply. I suppose taking out someone's appendix would be one. However, we have all heard the stories of the sick bay attendant in the navy who, during the last war, removed an appendix by using a penknife. Really, the minister's speech makes one wonder who wrote it. The more I read the speech the more upset I get, so perhaps I had better put it away. It should be kept in the archives and resurrected later.

During the few minutes I have left, Mr. Chairman, I should like to make a few comments on the food and drug services. In so doing, I do not wish to tread on anyone's toes except those of the government. Mention has been made already in the house of the report of the committee on drug costs and prices. Mention has been made too of the question of drug safety, and the work that the food and drug directorate perform. It is to this aspect of the matter I should like to direct a few comments.

I do not believe there is any argument about the fact that the food and drug directorate deserve a great deal of credit for the work they are doing as they attempt to insure that all the drugs taken by Canadians are as safe as modern science can make them. During our committee meetings, it became obvious that not only was the food and drug directorate understaffed, but it lacked sufficient funds and space to carry on the type of supervision that should be conducted over the drugs on the Canadian market. It is amazing to me that those who work in this department have been able to do as well as they have up until now. When I heard the government intended to provide more money for the food and drug directorate, I thought this was fine. Then I heard they were spreading this money over the next 12 or 15 years.

Mr. MacEachen: Where did that information come from?

Mr. Brand: I think the minister is asking a question. I am sorry I do not have the committee evidence with me, but I believe that information was given to the committee.

Mr. MacEachen: Twelve or 15 years, the government?

Mr. Brand: Certainly; the money does not come from any other place, unless we consider the people, and that is something the government does not usually do. Yes, this government: It is a matter of priority. I may be wrong, and perhaps it is seven years or 10 years. But this is not the point; the point is that in the last 10 years there have been more advances, more new drugs brought on to the market in this country than in the

previous 1,000 years. What is it going to be like in the next few years?

The minister has questioned the suggestion that the government is thinking of spreading the money over several years, and I am glad to hear him question it. Perhaps, although I do not see it anywhere in the estimates, he is thinking of providing additional money now to make sure that the drugs on the Canadian market are safe for each and every Canadian who uses them. I believe it is essential, with the rapidly changing pharmaceutical technology, that sufficient funds and personnel be provided the food and drug directorate to enable them to carry out many of the recommendations of the committee on drug costs and prices. Unless this action is taken, there is no question but that the food and drug directorate is going to be in serious difficulty if they have to implement fully some of the recommendations of the Hilliard committee, the Boyd committee or the parliamentary committee.

I feel it is essential that the minister look into this matter as soon as possible to ascertain if perhaps some money can be made available to this very valuable watchdog of our Canadian health, the food and drug directorate. They are essential to the drug industry of our country, and they deserve the fullest support of the government of Canada.

There are many other matters that one could mention, Mr. Chairman. There is the matter of the Canada Assistance Plan, which is not working. There is the matter of the guaranteed income supplement and the difficulties people are meeting in that connection. I was reading some of the material put out by the minister's office. He sends out a lot of stuff and I read a lot of it, too. Mention was made of the fact the average amount being paid under the guaranteed income supplement was something like $17 or $19. We are paying $17 or $19 at a time when the cost of living in this country is the highest it has ever been. What has happened to this $19? Well, some rents have been increased so that they approximately equal this amount. This is what has happened.

I believe it is shameful that many of our pioneers in this country do not have sufficient food because of a lack of funds. They do not have any money to provide any of the other amenities which are necessary for every person. Yet this government is proud that we provide $17 or $19 on an average. Some people get only $5, you know, while others get $30.

I do not believe I need to go into what has happened to the war veterans allowance. I believe this subject was well covered by the hon. member for Vancouver-Kingsway. It seems to me that the act is being used unfairly to penalize the veterans; I do not think there is any question about that. I am sure all of us, even the minister, have received many letters on this subject. I am sorry indeed to find that the act is being used in this way against those who helped defend the freedom of our country.

There are many other problems but I will not take up the time of the committee to go into them, except to ask the minister once again to look very carefully at the food and drug directorate and the amount of money allocated to them. He should listen to the requests made. If he asks the members of that branch, he will find out what they need, and he should give them the support they need. I should like to pay tribute to the staff of the Department of National Health and Welfare. I feel they deserve extra credit for being able to do such an excellent job for the people of Canada, despite speeches such as the one the minister made to the Canadian Medical Association. I am sure it is a very trying thing for those people to have to put up with this. Nevertheless I congratulate them on their diligence, and I recommend that the minister listen more carefully to some of the suggestions they make from time to time.

• (12:50 p.m.)

Mr. Mackasey: Mr. Chairman, I could not help but wonder as I listened to the hon. member for Saskatoon praising, on the one hand, the department of health and welfare and its staff under the minister, how on the other hand, he could criticize the speech made by the minister, which I am sure one of his staff prepared. I think it is normal and natural for speeches of ministers to be prepared by people within their department.

Mr. Brand: I did not think he was with them any longer after that speech.

Mr. Mackasey: I have taken advantage of the opportunity afforded by these estimates, Mr. Chairman, to comment briefly on the food and drugs committee that has just brought in its report, already known as the Harley report. But as is often the case, unfortunately, I was diverted from my main theme by some remarks that I was happy to listen to while awaiting my opportunity to participate.

I was particularly intrigued by the very excellent speech of the hon. member for Vancouver-Kingsway, who in the short time she has been in the house I have come to recognize as one who works particularly hard in the house for her constituency. I suspect that she puts a lot of time and effort into her speeches. I was very gratified, in view of the turmoil going on in that party at the present moment, where they are endorsing special status for provinces before getting around to defining it and now find themselves unable to define what that special status is, to see that the hon. lady has made a complete turnabout from the stand she took last year when the minister was bringing in the first step in his guaranteed annual income policy for specific groups of Canadians.

I remember that debate very well, Mr. Chairman, because in the heat of the debate the hon. lady referred to the Canada Assistance Plan as nothing more than a handout. What struck me at that time as unbelievable was that a party dedicated to the cause of socialism, a party that prides itself on its alleged—I use that word now, though I did not dare use it before—role in this House of Commons as being the voice of the little people of Canada, opposed guaranteed minimum income legislation.

Mr. Knowles: What are you so worried about?

Mr. Mackasey: Mr. Chairman, it is unusual that anyone can rouse the veteran from Winnipeg North Centre to holler from his seat, and thus breach the rules that he holds so dear. Frankly, this intrigues and pleases me. I am not worried about the New Democratic party because the New Democratic party are well on the way to destroying themselves. Anyone who reads reports of the convention that is now taking place in Toronto knows that this party is on the path to self-destruction. The leader of the party makes one statement, the deputy leader then contradicts him, and half an hour later a third prominent member says that neither of these two gentlemen knows what he is talking about. So I suggest we do not have to be preoccupied with the New Democratic party. They are so confused and bent on destroying themselves, now that they have endorsed the cause of separatism by preaching a particular status concept for the province of Quebec, that no deep thinking Quebecker would pay any particular attention to them.

I do not think its members need to be singled out, but I think the people of Canada are entitled to know when one of the more distinguished members of the house shows signs of leaving the socialist party, as the hon. lady for Vancouver-Kingsway is obviously about to do, and join the more logical, moderate and temperate Liberal party. In her wonderful half hour tribute to the concept of guaranteed minimum income she was, without actually saying so, paying tribute to this party, which originated the idea under Senator Croll, and the very energetic minister of health and welfare, who had the courage to bring it in.

Had the minister been more interested in his public image and in playing politics, he could quite easily have brought in a $30 increase across the board. Rather he took the concept of a minimum income seriously and decided that we should implement it in the area it was most needed, namely the group of people who were eligible for old age pension but who, for one reason or another, had little or no other sources of income. I could say a lot about that but I am not going to.

Mr. Churchill: Go on. Tell us about Walter Gordon.

Mr. Mackasey: The anvil chorus is as usual saying "go ahead, go ahead". I want to speak about the drug industry, not the new party of separatists in the House of Commons. That subject I will leave for another day, when I can document all of the contradictions that are emanating from their convention, particularly this status for Quebec which they have not got around to defining. The deputy leader tried to define it the other day when he said that this revolutionary new concept of theirs is precisely the concept that the Liberal party was practising under co-operative federalism up to a year ago, but that since the bogeyman, Mr. Trudeau, had joined the Liberals, the N.D.P. were going to adopt this philosophy.

It is nice at times to see the socialists saying that the Liberals were right up until a year ago, and that they are going to carry on because we deviated a little. Looking at these fine representatives of the socialist party, and realizing that the hon. member for Winnipeg North Centre has been here throughout the last few days, and to the best of my knowledge has missed the whole convention, I just hope that his sort of advanced thinking has not been forgotten at the convention, and that before the convention ends the hon. member will have the opportunity to go there and put his party back on its socialistic rails.

Right now, Mr. Chairman, that party is fumbling and is badly in need of the experience of the hon. member, who has a great reputation as a parliamentarian, in helping them get back to the Regina manifesto, which certain members of the party wanted to put before the public but were refused.

Mr. Knowles: Would the hon. gentleman permit a question. Assuming that all of this is in order on the estimates of the Department of National Health and Welfare, does not the hon. member realize that if one does have some advanced ideas they are far more needed here in this parliament than at our convention in Toronto?

The Assistant Deputy Chairman: Order. I think both members are out of order. I was trying to listen to what the hon. member was saying about an unhealthy condition, but I do not think it has anything to do with the estimates we are now studying.

Mr. Mackasey: Mr. Chairman, this condition referred directly to the socialist party—

Mr. Knowles: Mr. Chairman, I rise on a point of order. It is improper for a member of this house to suggest to the chairman that he is alleging an unhealthy condition in any party.

Mr. Mackasey: Mr. Chairman, I do not want to get into a debate between your honour and the acknowledged self-appointed custodian of the rules of parliament and parliamentary procedure.

Mr. Knowles: What drugs have you been taking?

Mr. Mackasey: I will pause for a moment to give those two members a chance to get together and to decide what their next intervention or interruption is going to be. I agree that I am out of order, Mr. Chairman, and that the question of a special status for Quebec can be the subject of debate at some other time. Many of us have strong ideas on that subject, and while I do not want to disagree with your suggestion that I am out of order, my observations do tie in with the very excellent speech of the newly converted member for Vancouver-Kingsway. After all, there is an old saying that you cannot have your cake and eat it too.

• (1:00 p.m.)

Under the concept of a special status for Quebec, plans such as have been suggested could not be fulfilled. Such actions could only be taken under a strong central government. I do not suppose at the present moment that anybody in the New Democratic party is really sure of what special status for Quebec is all about. When the hon. member for Greenwood, in a speech of two weeks ago, tried to define that special status, he defined a strong central government with further restrictions on the rights of provinces in the field of education.

Were we to adopt the suggestion of the hon. member for Vancouver-Kingsway, in her desire to see that every citizen has a guaranteed minimum income of $3,000, without taking into account regional differences in the economy of various parts of the country and without taking into account that the old age pensioner, say, in Newfoundland does not need the same amount of money to meet his overhead as does the old age pensioner in Vancouver, it could mean that we would be faced with a 30 to 35 per cent increase in taxation. Of course the leader of the N.D.P. has a pat answer to this: We shall increase productivity. That is the new phrase we are hearing now. Instead of "planning" we now hear about "increased productivity".

Having been diverted by interruptions from the opposition side, may I now return to the subject of the drug industry. The Harley committee was in existence for the better part of three years. In common with others who participated in its debates, I wish to congratulate not only Dr. Harley for the wonderful way he conducted this marathon committee, but also Miss Savard, the clerk of the committee, who stayed with it for the whole of its duration throughout two sessions of the House of Commons.

One cannot, as one would wish, discuss in depth the drug industry, on the estimates of one department. I have concluded that the drug industry is of prime importance to at least four departments of the government—the Department of National Health and Welfare. the Department of Finance, the Department of Industry, and now, the Department of the Registrar General. To discuss at length on the estimates of this department the recommendations of the Harley committee, that were designed to reduce the costs of drugs, would be unfair to the minister and to his department.

Nor do I intend to enter any controversy that might exist between members of the house and representatives of the P.M.A.C. with respect to the brand names of drugs, or their generic equivalents. Unfortunately we cannot divorce entirely questions of drug

safety and drug prices. Unfortunately, because of speeches by hon. members inside and outside the house and because of speeches by representatives of the P.M.A.C. as well as by representatives of firms outside that association, debate has centered on the question of generic drugs versus drugs with brand names. Anybody who sat on the committee and remained objective will agree that to concentrate attention in this manner is unfair to the food and drug directorate. What concerns this department of government is whether drugs are safe or dangerous.

The over-all result of the Harley committee recommendations, in my opinion, will be to make slightly less expensive certain inexpensive drugs that are now available. The report will do little to induce doctors to prescribe substitutes for the products of companies which, through many years in practice, doctors have come to rely upon.

Not being a doctor or a pharmacist I found it difficult to participate in the committee's deliberations. I found it difficult, in the first three or four months, to follow the hearings, and I never learned how to pronounce some of the generic terms. I left the hearings full of admiration for Doctor Chapman and his staff. Any quarrel that I have with the present minister is that, in all probability, these estimates do not contain a sufficient increase in funds to be devoted to that particular department.

Were Doctor Chapman testifying before the committee again, I expect that his concern would not be particularly with the present state of the drug industry and his ability to police it. I imagine his concern would be over the type of service he would be able to provide when some recommendations of the Harley committee are translated into legislation. Here I am referring to the possibility that in future it may be permissible to import drugs into this country on a broader basis than is permissible today. From my time on the committee I learned that brand names are not necessarily synonymous with safety, nor are generic drugs necessarily dangerous. I think that Doctor Chapman made clear in the committee hearings that, personally, he had divorced himself from such a controversy.

The fact remains that in all walks of life, people tend to buy brand name products. When your wife buys a refrigerator she tends to look for a name brand. The same is true when one buys an automobile, or gasoline, or almost any other commodity. This is true also for the agent purchasing drugs. The agent purchasing for the patient is the doctor, and he has a tendency to trust brands.

It is significant, when one reads books which have been written about the industry, to learn that firms which began by manufacturing generic drugs have ended by marketing those drugs under brand names. As any business grows there is a tendency to use a brand name, so that people may identify the product of the growing company. Also firms are proud of their products.

One firm in Montreal, known as Elliott-Marion Company Limited, began as a small two-man operation. Unfortunately that firm has since been absorbed by a larger corporation. During the transitional period, as the small firm grew, they evolved from marketing generic forms of drugs to marketing brand name drugs.

Doctor Chapman and the food and drug directorate in the next few years will be faced with the difficulty of making certain that the new and inexpensive drugs which everybody is talking of and which will enter the country as imports will meet the extremely high standards that the food and drug directorate has always demanded from drug companies of this country. In my limited travels around the world, when I have discussed the drug industry in other countries, I have invariably found that the food and drug directorate division of the Department of National Health and Welfare of Canada is considered as having one of the highest standards of excellence in the world, as well as one of the finest staffs.

Mr. Rynard: Hear, hear.

• (1:10 p.m.)

Mr. Mackasey: One of the committee recommendations, and I use it only as one example because there are many of them, which will affect the food and drug directorate, extending out of the Harley committee, is that if drugs are to be imported from countries beyond the seas, once a compulsory licence has been obtained, inspections must be made of the premises and sources of origin in those countries. This is a difficult problem even at the present moment when relatively few of our drugs are being imported—and I say relatively few, meaning in comparison to what is anticipated when these recommendations are adopted as legislation.

But presuming, Mr. Chairman, that this problem is solved, that is, that through some way the source of supply can be checked out

in the various countries around the world—and these sources of supply range anywhere from England to Italy, Denmark, Hong Kong, Poland and other countries behind the Iron Curtain, and some other countries where, up to the present moment, there has been some reluctance to have our inspectors visit their up to date plants—even if this problem is circumvented and these inexpensive, and I presume safe drugs, appear on the market, the main problem will once again be to find ways and means of convincing the doctors to prescribe those inexpensive drugs.

I know there are many wonderful recommendations that we re-educate the doctors and put more stress on generic names. In this connection I was struck by the experience of one of the so-called generic firms. I would describe it as a vigorous, up coming firm in the Toronto area, which is well organized and which sells an increasing volume every year to government sources. The president of the company, who is a very distinguished scientist, once said to me, "You know, we have in Canada the least expensive drugs in the world". I chatted with the gentleman for about half an hour to find out precisely what he meant. Perhaps he was generalizing and, if so, unfairly; but he did point out that because of our unique escape clause under the Patent Act there is provision for the availability of less expensive substitutes to a brand name drug where, in the opinion of the courts, the holder of a patent is gouging the public and overcharging for his product. This provision has not been used to the fullest possible extent, but I suspect it will be used much more in the future. The note of desperation in this gentleman's voice came from his disenchantment and frustration with his inability to convince the retail druggists to stock his products, rather than the so-called brand name products.

The reason I said earlier that I deplore the tendency to concentrate on brand versus generic, rather than on safe versus dangerous, is because in refuting or rebutting many of the arguments of the P.M.A.C. there has been a tendency to oversimplify and play down the fact, or rather create the impression, that for every brand name product there is a generic substitute equal in potency, equal in effect, and equal in the safety factor. This is not true. In fact it is not even certain from our investigations that one can reproduce someone else's product identically.

This of course is the basis of the Hilliard report and of the Boyd report. A very interesting article in this connection appears in this week's *Time* magazine dealing with investigations taking place at the present moment in the United States. For the sake of the record I may say this article appears on page 60 of the magazine. It deals with a very simple, and at times a very dangerous drug, the common aspirin. The substance of the article is that one patricular firm, I think it is Bayer, refuses to limit its quality to the minimum standards of quality set out in the United States Pharmacopoeia, which is a volunteer guidebook sponsored by doctors, pharmacists, chemists and biologists. The argument of this particular firm is that its very minute inspections, which go far beyond the minimum standards, form one of the basic reasons why its product costs many times more than that of a lesser known tablet, but which in the opinion of Bayer ensures superior quality and a greater degree of safety.

I know I have not contributed too much to the debate on drugs, other than to say that although I was a member of the committee I am not convinced we will accomplish very much by implementing all the recommendations of the Harley committee, other than to drive down the already inexpensive substitutes to an even lower cost. But this will do very little, if anything, to convince the doctors to prescribe wherever possible the less expensive drugs, provided of course that they can be convinced that the original product and the alternative product are equal in safety and effectiveness.

I am also a little concerned about other effects of the Harley report. Probably I shall have to withhold my remarks until we examine the estimates of the Department of Industry, or until we resume the debate on the budget, in order to point out that I have never been an advocate of cutting off your nose to spite your face. I am not convinced the solution lies in destroying existing drug industries, which I am fully convinced will be the end result of the recommendations in the report. However, I am not sure these industries have not brought this thing on their own shoulders.

Evidence does show that the margin of profit, gross profit and net profit, of these companies, is double that of the average industry. I believe, however, they ranked seventh in terms of profits of individual firms in Dr. Harley's committee report, well below the soft drinks industry and other industries. Nevertheless they have themselves focused

the spotlight of public attention on their industry as a result of their inability to control rising prices and to introduce a greater degree of competition among brand names. But at least they are outwardly convinced that their own products have no exact substitutes.

I wonder whether it is parliament's role or the role of doctors to devote a little more time to this particular problem. I was rather intrigued by the fact that at least half a dozen doctors sat on this committee, all members of the same Canadian Medical Association. It would seem to me that there is a cynicism on their part, an unwillingness to co-operate, an unwillingness wherever possible to investigate thoroughly the alternative of prescribing generic drugs for their indigent patients.

I remember the case of someone I know particularly well who was able to have a badly wanted child as the result of taking a drug called progestoral, a very expensive drug costing $14 or $15 for a three, four or five days dosage. Later I became aware of an identical problem concerning a friend of mine with a married daughter who unfortunately had a series of miscarriages, and was considered unable to have children. I referred this young lady to the doctor in question, who prescribed the same medicine, and after two or three months of pregnancy the young lady realized there was a possibility of having a child safely. She was very pleased and the family were very happy, but unfortunately they were unable to afford the high cost of progestoral.

• (1:20 p.m.)

When I discussed the case with the doctor in question he issued a new prescription written generically. The young lady was able to buy the prescribed medicine with the same basic qualities for about half the cost. I am happy to say that the young lady now has a very fine baby boy as a result of the blessings of modern medicine.

When I took this up with the doctor and asked him, through curiosity, why he did not in all cases prescribe this drug which cost less, he told me that so far as he was concerned, as a result of his many years experience with the brand name progestoral, he knew without a question of doubt the effect this particular drug would have. He said that he took into consideration the economic factor and the ability of the family to pay for the product and wherever possible prescribed the brand name. He added, however, that in other cases where economic factors were dominant he would reluctantly prescribe a substitute, even though his experience was that the substitute did not have the same percentage of effectiveness that the better known brand had.

I realize that the time allotted to me is nearly up. I should like to serve notice here that I do not think the solution to the drug problem lies solely in the Harley committee report. I believe it requires a voluntary study on the part of the doctors and a new approach by the drug industry in respect of proper pricing. Above all I do not believe the solution is in the destruction of an industry which at the present time employs about 10,000 people in Canada and spends millions of dollars in this country.

This is an industry which is helping to develop our export markets. It spends millions of dollars in research, but unfortunately is charging the public too much. I suggest that when we have the estimates of the Department of Industry before us we are duty bound to review the Harley committee report at that time, in the light of the dire effect I suggest it will have on the industry and the fact that we might have to find 10,000 new jobs for people ranging all the way from bottle washers to those holding Ph.D's and involved in research.

[*Translation*]

Mr. Mongrain: Mr. Chairman, in all the speeches made by Her Majesty the Queen during her visit here in Canada, I am sure that all my colleagues will agree with me that she said a great many true things and that she reminded us, as members who have mainly the duty to legislate, of the urgency of some priorities.

I should like in particular to quote an excerpt from the speech which she made here in the front of parliament a few days ago when she said:

> This country is fortunate and prosperous more than most others. But not all of its people are free from want or hardship. There are still wrongs to be righted and sufferings to be relieved. There is still a contant effort of accommodation to be made so that all the people in this great country may live together in friendship and harmony.

Mr. Chairman, I think that the opportunity comes our way now, during consideration of the estimates of this department, which we are doing at this time, once more to appeal to those in a position of authority in the country, so that they take an even more sympathetic attitude towards misery, the destitute, the poor, the have-nots, the low-income people and the disabled.

I am not suggesting, Mr. Chairman, that this government, or the preceding ones, have done nothing to alleviate poverty. I am one of those who realize, as everybody else, that, of course, some needed pieces of legislation have been passed in order to alleviate poverty in many sectors, such as unemployment insurance, old age pensions, the minimum guaranteed income, allowances for disabled persons, the Canada Assistance Plan, health insurance, hospital assistance, family allowances. That is all very fine, but I feel that, in our time, it is particularly urgent to alleviate poverty and I think it would be a fine opportunity to review perhaps our entire policy of assistance to those who are deprived of a reasonable and adequate amount of worldly goods.

And to prove once again, Mr. Chairman, the urgency for such a concern for our governments, I should like to quote from the recent encyclical of the Holy Father, entitled "Populorum Progressio," dealing thoroughly with the social situation today, in 1967.

It will be agreed that this study emanates from an authority, if we recall that the Pope consulted a great number of sociologists, that he considered seven or eight drafts of that encyclical and that he suggested all sorts of amendments before approving the final text.

I would like, Mr. Chairman, to draw inspiration from such an authority and suggest even to those who are not Roman Catholics to glance through that document which takes a revolutionary and, audacious stand towards the urgency of the social problem we are now facing.

And if I may be allowed a little joke, I would even say that when I read that encyclical I had the impression that the Holy Father has become a supporter of the New Democratic party, that he tends a little towards socialism, because some of his statements are quite advanced.

And I am sure that if the hon. member for Verdun (Mr. Mackasey) has read the encyclical, he must have found it extremely difficult to take the New Democratic party to task as he did earlier. I noticed that he did not fustigate it on the social question but rather on the question of the special status.

Therefore, Mr. Chairman, I quote verbatim and I am doing it, as I said before, not with the intention of blaming anyone but in order to encourage the government in its efforts to alleviate misery among Canadians and even among other peoples which suffer also from hunger and poverty.

I see here, for instance, and I quote literally:

> Today the peoples in hunger are making a dramatic appeal to the peoples blessed with abundance. The Church shudders at this cry of anguish and calls each one to give a loving response of charity to this brother's cry for help.

Further on, Mr. Chairman, the Pope wrote this:

> We considered it our duty to set up a Pontifical Commission in the Church's central administration, charged with "bringing to the whole of God's people the full knowledge of the part expected of them at the present time, so as to further the progress of poorer peoples, to encourage social justice among nations, to offer to less developed nations the means whereby they can further their own progress":

A little further, in a chapter entitled "For Man's complete development", the Pope says:

> Freedom from misery, the greater assurance of finding subsistence, health and fixed employment; an increased share of responsibility without oppression of any kind and in security from situations that do violence to their dignity as men; better education—in brief, to seek to do more, know more and have more in order to be more; that is what men aspire to now when a greater number of them are condemned to live in conditions that make this lawful desire illusory.

It will be agreed that the appeal of Our Holy Father the Pope is certainly moving.

This is another excerpt which I find a little further:

> At the same time social conflicts have taken on world dimensions. The acute disquiet which has taken hold of the poor classes in countries that are becoming industrialised, is now embracing those whose economy is almost exclusively agrarian: farming people, too, are becoming aware of their "undeserved hardship". There is also the scandal of glaring inequalities not merely in the enjoyment of possessions but even more in the exercise of power.

And the Pope continues in that vein. We could almost quote this whole encyclical, since it is so appropriate and it meets so well today's needs. A little further, he says:

> We must make haste: too many are suffering, and the distance is growing that separates the progress of some and the stagnation, not to say the regression of others.

Once again, another excerpt in the same encyclical:

> There are certainly situations whose injustice cries to heaven. When whole populations destitute of necessities live in a state of dependence barring them from all initiative and responsibility, and all opportunity to advance culturally and share in social and political life, recourse to violence, as a means to right these wrongs to human dignity, is a grave temptation.

Mr. Chairman, I shall not take your time to read the rest. A great many of those excerpts

could be quoted but I want to limit myself to those two testimonies: the appeal of Her Majesty the Queen and the encyclical of our Holy Father the Pope, so that the cry of misery which cannot make itself heard alone by the people who suffer, may be heard again today in this house. I am speaking of the poor, the sick, the aged who are deprived of the necessities, especially of the handicapped. And I am doing so, Mr. Chairman, in view of the forecast of those who reflect on our future that within thirty years, by the year 2,000, conditions may be such that 20 or 25 per cent of the people will no longer have the opportunity to work and earn a salary.

• (1:30 p.m.)

This means that, with industrialization, with excessive automation, people who are suffering and unemployed today will suffer more and be even more unemployed if the governments fail now to make projections with the most modern scientific data and prepare, in the light of these projections, to pass legislation which will enable every Canadian to enjoy what is called a reasonable minimum of well-being.

Mr. Chairman, there are still people who consider it visionary and demagogic to claim that there is suffering among us and who are very happy in all their statements to discover that we are living in a country of abundance. However, a study of the official statistics will show, for instance, that in 1966 3,500,000 Canadians lived in poverty. Of course, there are various degrees of poverty: there is destitution, poverty, hardship, which is the lot of marginal classes, and among those 3,500,000 Canadian citizens, 1,300,000 suffer from some physical disability and for the most part do not have a sufficient income to enjoy at least a reasonable level of comfort which can be expected by people living in an affluent democracy.

To support my theory, I should like to quote more eloquent figures from the report of an investigation carried out last year, I believe, in the city of Montreal. I am not suggesting that there is more poverty in Montreal than anywhere else, but I am quoting a specific case, to convince those who think that there is no poverty in our country.

This study shows that:

In the City of Montreal itself, 423,418 persons, or 38 per cent of the total population, and in the metropolitan area,—

This is the greater Montreal area.

—706,830 persons, or 33 per cent of the whole population, live in poverty—

[Mr. Mongrain.]

Not only in poverty or in misery, Mr. Chairman, but in an unbearable misery for some of them, while many others endure distressing hardship.

For the benefit of those who would like to go to the source of this information, I am quoting from "Le Travailleur Canadien", edition of May 1967, which deals with the results of that survey. I quote again:

Moreover, 17 per cent of the entire metropolitan population lead a hand-to-mouth existence. If we take these people into consideration also, then the total number of people in the metropolitan area who live in misery, poverty or hardship rises from 706,830 to 1,032,000, or 48.6 per cent of the total population—

Mr. Chairman, I believe that this reveals a serious flaw in our capitalist system, and if this same system does not deal with these cases of hardship in order to find a solution as soon as possible, social upheaval will surely ensue.

For instance, poverty is defined as follows in that article:

Poverty—families and individuals are poverty-stricken: in general, any family of four whose total income is less than $2000 per year and any individual without a family whose income is less than $1000 a year.

And a little further on, the article says:

Over 55,800 families out of 217,000, or 20 per cent of Montreal families are poverty-stricken, as well as over 27,000 suburban families, or 14 per cent.

All the same, those figures speak for themselves and are alarming, Mr. Chairman, and if the popular saying: it's no use preaching to a hungry man, is kept in mind, all sorts of social evils are to be dreaded, if no way is found to give those people a minimum of reasonable comfort to which they are entitled.

I know that some people have found solutions. For instance, I read in a newspaper from last year that the dean of the department of agriculture of the University of Alberta ascribed to large families a great deal of hardship in the country. Therefore, he suggested, and I quote word for word an article which appeared in *La Presse* on March 10, 1966:

If the parents object to limiting the number of their children, the government should compel the father to submit to sterilization—

No more nor less.

—or see to it that the mother resort to contraceptive devices.

During a dinner in a social club on Tuesday, Mr. Bentley—

The name of this erudite professor is Mr. Bentley.

—Mr. Bentley said that the population problem is so serious that anyone who has more than three children is uninformed and not very intelligent.

Mr. Chairman, I have seven children; I plead guilty. Some sociologists propose empirical solutions, but that is obviously not the way to solve the problem. Incidentally, His Holiness the Pope answers this very question in his encyclical, for he says that those who advocate compulsory birth control by means imposed by the government are in a sense heretics, and that we should try instead to use the wealth which Providence has bestowed upon us and distribute it equally among the needy. In order to do that, of course, we will have to go a little way towards what we call socialism, Mr. Chairman. At home, we usually tell the socialists, the members of the New Democratic Party that they are Liberals in a hurry.

Well, I suggest to the members of the Liberal party that the time has come to change gear and become Liberals in a hurry also because the needs of the times are urgent and social upheaval is cause for concern.

In further support of this theory, I should like to quote another authority much more competent than I on the matter, His Eminence Cardinal Léger of Montreal who said, in a speech before the St. Lawrence Kiwanis in May last and I quote:

It is not true that a Christian should have a sickly fear of State intervention in the economic life. Nor is it true that a Christian should be obsessed by anti-socialism.

And here is where the cardinal is also becoming a socialist.

The truth of the matter is that inertia of public authority is to be feared just as much as this totalitarian concept which would stifle all initiative among the citizens. Obviously, some large undertakings can be carried out efficiently only by the State and only the State can create some security and social assistance programs. In this case, it is not reticence but dynamic co-operation or yet a highly developed spirit of initiative which must be found among all Christians involved, one way or another, in the affairs of the State.

Mr. Chairman, this is the point: Those who rightly claim increased aid, those who are deprived of a minimum well-being are told that there is a limit to what the State can do. Indeed, if pensions are paid and grants given, they must be paid for through taxes just as it may be true that the saturation point will eventually be reached and that taxation will become prohibitive. But that is precisely where I feel the government should try to seek more daring and more modern solutions and that is probably where some points of my New Democratic friends program might be agreed to, for instance when they suggest that the State should have available some highly profitable public concerns whose income is now turned over solely to some rich individuals and which could then be distributed to the have-nots, too numerous in our society. By so doing, the fantastic increase in taxes which usually accompanies the generous social legislation implemented by the government could perhaps be avoided.

• (1:40 p.m.)

Mr. Chairman, once again I repeat that I am making these remarks not to blame the government but rather to let the voice of our destitute be heard as loudly as possible.

Amongst those who suffer, amongst those who are destitute, there are surely old people. Today, people are old before their time. For instance, Mr. Chairman, at 45 one cannot find employment these days. The way things are going, and thinking about what I said a while ago, considering what life will be in 30 or 35 years from now, the eligible age for old age pensions will have to be lowered from 70 or 65 years to 40 or 45 if people are not to die of starvation.

But let us talk about those who have reached 65 years of age, whom it is agreed to call old people and to whom a $105 old age security pension was granted recently. I say that is not even enough under the present circumstances because a $105 pension nowadays is not worth more than perhaps the sum of $50 twenty years ago, Mr. Chairman. Moreover, in my opinion, not enough thought has been given to providing those senior citizens who can subsist on their pensions with something to do to occupy their time, so that they will not get bored or vegetate.

I suggest that we should follow the example of Sweden which in 1950-53 appointed joint committees to consider the case of retired old people.

Many of them would still be able to render some services if they were retrained for jobs that they could carry out at their age. The fact is that if they are in good health, they also have a vast experience, and the committee studied the matter of aged workers in Sweden.

I quote textually:

The study of statistics concerning the distribution by age in the various occupations, manpower rotation and unemployment, took also into account interviews with personnel officers concerning the policy of business firms towards elderly workers.

I submit that we should try to find means to keep at work those elderly persons who can still work, who want to work and who have acquired experience, instead of condemning them to idleness, and letting them die slowly.

I should also like to plead the case not only of those old people whose income is insufficient and who are left to die slowly from boredom or idleness to which they are condemned, but also for another group of needy people who, in my opinion, are not treated yet as they should be, who suffer still from a mentality worthy of the middle ages and who cannot ask for help. I mean those who suffer from mental illness. There was a time when people were ashamed to talk about them. Today, people are a little more broad-minded but I think that in that field also it will be necessary to increase the help given to those who suffer from mental illness.

I should like to pay a special tribute to the Canadian Mental Health Association, a non-profit organization which tries to improve the well-being of all those suffering from any kind of mental illness.

For instance, Mr. Chairman, I was surprised to read in their literature passages like the following, which I will quote in English so as not to distort their thinking.

According to the Canadian Mental Health Association:

[*English*]

Mental illness hits more Canadians annually than all other diseases combined including such disablers as cancer, heart disease and tuberculosis.

[*Translation*]

Secondly:

[*English*]

The cost of mental illness to the Canadian economy reaches $600 million, enough money to provide a free university education for 50,000 young Canadians.

The federal government spends only 5 cents per person per year on research into mental illness, although the causes of mental illness are known in only a few instances.

[*Translation*]

That is an astonishing revelation Mr. Chairman: 5 cents per person per year.

[*English*]

Upwards of one third of the population has suffered with at least some temporary disability because of mental or emotional illness.

If no further progress is made, at least one of every ten babies born in our centennial year will spend some part of its life in a mental hospital.

There are over 100,000 emotionally disturbed children in Canada.

[Mr. Mongrain.]

We have proper facilities for treating less than 400 of these children.

Nearly half the hospital beds in Canada are occupied by the mentally or emotionally ill.

Canada is woefully short of psychiatrists, psychologists, occupational therapists, social workers, nurses, aides, all so necesary to care for and treat our mentally ill.

• (1:50 p.m.)

[*Translation*]

In my home town, Mr. Chairman, people say a very cruel thing: that apparently only the very ill are confined; there are many others who are not confined and who could, if they were looked after, become an asset to society instead of being a burden or a liability. Mr. Chairman, after referring to the mentally ill whose condition could be greatly improved, I should like to deal briefly with the handicapped, the disabled who very often are unable to leave their homes and lack the money required to buy all their medicine, who live and wallow in a perpetual boredom which lessens the talents they may have. Even though they are physically handicapped, many of them are sound of mind, and I feel that more attention should be paid to those disabled in order to help them lead a more useful personal life.

I would like to give as an example a case in my own city that was handled with some success. A group of disabled persons established an association whose members are given all kinds of small jobs and make repairs in shops. The group was given a bus which is used to bring the disabled to popular events. Those people thus feel less miserable about their disability.

Mr. Chairman, to go back a little to what I was saying a while ago, I should like to mention one case which I find cruel. It happened back home, a few weeks ago. In a certain family, there is a young girl of some 17, 18 or 19 years of age, I do not remember exactly, who in addition to being mentally ill is also physically ill, and both most seriously. She is paralyzed, lives in a wheel-chair and has grown, with the years, extremely difficult to get along with. Indeed, she sorely tries the family to the point where the education of the younger ones suffers due to the fact that the parents have grown ill. The situation has become unbearable. The family therefore applied to have the girl placed in a suitable institution. Months go by; no place is available. Finally, they turn to the authorities. They go to see the mayor, the member of parliament, the vicar and everyone pleads

the case of the patient. Still, no place can be found. They have to wait.

One day, a member of the family justifiably got into a wrath and called the chief of police and told him: I have a hunting-gun here, and if you do not come and get the sick girl and have her admitted this very day in an adequate institution, well, I will kill her. The chief of police went to get her and placed her in an institution. She was admitted; there was room then.

Well, Mr. Chairman, if such drastic action is necessary to place mentally ill people in institutions, there is something wrong with society. If it is true that there is no room, let us build institutions lest entire families should suffer such a martyrdom. After all, we must consider that there are younger children who suffer from their being in contact with those mentally ill people.

Mr. Chairman, I will summarize my plea with the following words. I should not like my words to be interpreted as a blame against this government or its predecessor. However, I should like to point out that we are approaching a critical point where the social issue will be increasingly urgent and that we will have to revise all those measures brought in throughout the years and which, very soon, will not meet the needs of our society which has the right to enjoy a minimum of comfort in this rich country of ours.

Perhaps it would be appropriate to say something about the two thirds of humanity that are starving, but it would be beyond the subject we are allowed to deal with here, under those estimates. Let me just say it is inadmissible that so many Canadians should go without the basic minimum. We must absolutely provide for that. In that connection, I am one of those who approve the persistent requests of our friends from the New Democratic Party. I should like to congratulate in particular our colleague, the hon. member for Vancouver-Kingsway (Mrs. MacInnis), for her appeal of a while ago.

I should like to point out also that kind of missionary zeal shown since many years, in spite of difficulties of all kinds, by a Quebec woman, Mrs. Thérèse Casgrain, in order to relieve those Canadians who are suffering in this affluent country.

Mr. Latulippe: Mr. Chairman, I shall not take long, since it is already getting late. I would have many things to say, but I will make only a few remarks. I would have a table to record in *Hansard* so as to show that we have a substantial production and that we can reasonably finance social welfare by means of that production, and especially the surplus and capitalization.

Well, I will simply say a few words so as to define the individual, the human being. As we are confronted with civilizations which ignore, which despise man, no task is more urgent and more imperative than to come to the defence of man, to the defence of the human being.

To defend man in order to save him, to establish a social order where man will be recognized and respected, that is the basic problem facing mankind today. From the realistic point of view, man is simply a complete individual and a member of the human community. He is an entity made up of a body, a soul, an intelligence, a will, a character, a conscience, a number of needs and aspirations, a world of feelings and ideas.

Let one of those numerous and often contradictory aspects be ignored, let one be given excessive importance over the others, and man suffers, his stability and that of the whole social structure are endangered. The individual must be taken as a harmonious and complex whole.

As a member of the human community, outside which he cannot be conceived, man cannot be separated from his natural environment: family, profession, association, humanism; man can only live in a fertile soil. This reed must have the roots of an oak. Without his roots, man weakens and dies. He becomes a thing, an animal drifting through life, just like a ship is tossed about by a storm. Alone, man is just a wreck drifting away. The diversified infinity of elements which constitute man causes each human being to be an autonomous and unique reality, different from all others.

All men have a unique personality, a unique history, a unique purpose; each man, each woman bears deep inside a truth, a vocation. The characteristic of man, and his specific quality, lies in his own truth, his vocation which is not to be found in any other man, or in any other woman, but belongs to this unique being living in a unique world.

Now, Mr. Chairman, I would have many other things to add, but I will mention the table I want to put on record so as to explain

it in a few words, the revision of the Bank Act which was made in 1944 and in 1967 provides us with very significant stages in the evolution of our Canadian economy, under the leadership of businessmen and politicians.

After 23 years, it is possible to determine those areas that have gone forward, backward or remained stationary. This will enable us to decide precisely where it is necessary to change the trends of our national economy in order to reach our goal; that is the welfare of every human being in our Canadian population, again from the economic viewpoint.

The following table will bring forward its own conclusions. Therefore, I shall place this table on the record in order to avoid taking more time. These figures show the total production in 1944 and in 1967. And the figures from 1944 to 1967 have multiplied five times, for example, the 1944 production was $11,400,000,000 and that of 1967 was $62 billion. Five and a half times more in 1967 than in 1944.

Consumption and expenditures were $10,120,000,000 in 1944, as compared to $40 billion in 1967, that is four times more.

Capitalization and profits amounted, in 1944, to $1,280,000,000 and, in 1967, to $22 billion, or 17 times more.

I want this table to appear in *Hansard*, because it would take too long to quote everything.

[*English*]

The Assistant Deputy Chairman: It being two o'clock it is my duty to rise, report progress and request leave to sit again at the next sitting of the house.

Progress reported.

BUSINESS OF THE HOUSE

Mr. MacEachen: Mr. Speaker, tomorrow we will begin with the estimates of the Department of National Defence, and we would also like to take the third reading of the Interpretation Act.

Mr. Knowles: Mr. Speaker, I suggest we do it now.

Mr. MacEachen: That would be fine.

Mr. Knowles: Provided another minister can be found. While the one minister we have is looking for another one, I wonder if there are not a couple of motions with which we could deal now.

Some hon. Members: Agreed.

[Mr. Latulippe.]

• (2:00 p.m.)

HOUSE OF COMMONS

ASSISTANTS FOR MEMBERS—SUBJECT MATTER OF MOTION REFERRED TO SPECIAL COMMITTEE

Mr. Jim McNulty (Lincoln): By leave of the house I move:

That notice of motion reading as follows:

"That, in the opinion of this house, in view of the growing burden of responsibilities of members of parliament, the government should give consideration to the provision of experts and specialized personnel to assist members in the discharge of their duties similar to the assistance that has been made available to members of Congress and Senate in the United States." Standing in the name of the hon. member for Moose Mountain (Mr. Southam) as notice numbered 39 on today's order paper, 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.

INTERPRETATION ACT

REVISION AND CONSOLIDATION, AND CONSEQUENTIAL AMENDMENT OF OTHER LEGISLATION

Hon. A. J. MacEachen (for the Minister of Justice) moved the third 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.

Motion agreed to and bill read the third time and passed.

BUSINESS OF THE HOUSE

SUSPENSION OF PRIVATE MEMBERS HOURS ON JULY 6 AND 7

Mr. Jim McNulty (Lincoln): I understand, Mr. Speaker, there is agreement amongst all parties that private members hours be suspended on Thursday, July 6 and Friday, July 7.

The Acting Speaker (Mr. Tardif): Does the house agree to suspend private members hours on Thursday and Friday of this week?

Some hon. Members: Agreed.

Mr. MacEachen: I thank hon. members for their co-operation, and wish to say that we will call the defence department estimates tomorrow. If those are completed, we will continue with the estimates of national

health and welfare, and transport, on the understanding that, in accordance with an order of the house, these departments will be passed by 9.30 and we will have the supply bills covering ten departments and interim supply by that time tomorrow evening. On Friday, as was agreed some days ago, we shall begin with item 1 of the Department of Trade and Commerce to permit a discussion of the Kennedy round.

It being five minutes after two o'clock, the house adjourned, pursuant to special order.

HOUSE OF COMMONS

Thursday, July 6, 1967

The house met at 2.30 p.m.

AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

Second report of standing committee on agriculture, forestry and rural development—Mr. Whelan.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

UNITED NATIONS

TABLING OF RESOLUTIONS CONSIDERED AT GENERAL ASSEMBLY

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, pursuant to yesterday's order I wish to table copies in English and in French of resolutions which, on July 4, 1967, were voted on at the fifth emergency special session of the general assembly of the United Nations.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would it be possible to make it an order of the house that these particular documents be added as an appendix to *Votes and Proceedings*?

Mr. Martin (Essex East): That is agreed, Mr. Speaker.

Mr. Speaker: I understand this was part of the order passed by the house yesterday.

CANADIAN CONSTITUTION

REQUEST FOR REPORT ON PROPOSED CONFERENCE OF PROVINCES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, will the Prime Minister make a report to the house regarding the conference with the provincial premiers? He will recall that on May 10 last he stated this conference would take place in respect of constitutional matters. Will he also advise whether there is any prospect, on the basis of the consultations, that the provinces are now generally in support of the need for a bill of rights as part of a constitutional amendment rather than a statute only applicable to federal measures?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, during our discussions yesterday afternoon, which occupied between two and three hours, the question of a conference to consider the direction of confederation and confederation problems was referred to by the premier of the province of Ontario, who indicated some months ago that he intended calling a conference for this purpose. Mr. Robarts made it clear that he had in mind a conference of provincial leaders, and that in his invitation to the provincial leaders he would indicate that he would invite the federal government to send observers. It was the consensus of the provincial leaders that if an invitation of this kind were issued, and it is likely that it will be sent shortly for a meeting in the fall, it would be accepted. If we receive such an invitation asking that a federal government observer be sent, we will be glad to send one.

The other matter mentioned by my right hon. friend was also of a constitutional nature, regarding the desirability of enshrining in our constitution a bill of rights which would have both federal and provincial application. I indicated to the provincial leaders that I would be sending an invitation in respect of a special federal-provincial conference to discuss this matter, to be held, I hope, either late in 1967 or early in 1968. The consensus was that a conference of this kind would be useful, and that the provinces would be glad to send representatives. I think we will be able to make progress on this very important aspect of constitutional development before many months have passed.

Mr. Diefenbaker: Will the Prime Minister indicate that as a result of the discussions which took place there was any indication on the part of the two provinces which in 1959 and 1960 objected to constitutional amendments that they have changed their views? And in view of the fact that apparently the same objection to the convening of a conference on constitutional matters has been taken by these provinces, will he give further consideration to the suggestion that it would be generally desirable to attain unity, perhaps, by convening a constitutional conference in this centennial year? I suggest this because certainly the conference he has mentioned could not by any stretch of the imagination

be successful so far as the whole spectrum of constitutional change or alteration is concerned.

Mr. Pearson: Mr. Speaker, the premier of Ontario, who first made the proposal for a constitutional meeting, himself indicated to us that this should not be considered as a constitutional conference in the sense that constitutional changes would be raised and discussed, but a conference to consider problems of confederation and the direction of confederation in a general way. It was felt that such a meeting would be a very useful and perhaps an essential preliminary to a later constitutional conference.

While a meeting of this kind is being held, with the federal government represented by observers, we are ourselves federally examining the problem through a special section of the Department of Justice, as has been announced to the house, and are developing our own ideas. This matter will subsequently be dealt with also in parliament. It is felt, and I think the heads of provincial governments would agree with this in view of the talk we had yesterday, that this is as far as we should go in the immediate future; that the conference in 1967 would not go beyond a general survey by the provincial leaders of our constitutional problems and the direction in which we are going as a confederation.

CANADIAN CENTENNIAL

EXPRESSIONS OF APPRECIATION OF CELEBRATION ARRANGEMENTS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I have your permission to make a statement while asking a question of the right hon. Prime Minister? I desire to do this because I have never felt so proud—and I have always been proud to be a Canadian—as I have in the past six days in Ottawa in our centennial year. Knowing the pressure on the Prime Minister and the work he did, may I ask this question in expressing my thanks—this is not put forward for the opposition—to the Prime Minister. I express the hope that with all the responsibilities now facing the Prime Minister, he can take a most well earned and relaxing holiday. He certainly deserves it.

Some hon. Members: Hear, hear.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I thank my hon. friend for what he has been good enough to say. I assure him that the pressure in the last six days was of a most agreeable form. Perhaps I may take advantage of the hon. member's question to indicate my own view, which I am sure is shared by all members of the house, that if the visit was as successful as we know it to have been, and if the arrangements were as effective and as efficient as we know them to have been, the credit for this should go to the centennial committee, the officials of the centennial committee; also and in particular to the officials of the Department of Public Works, who I think did a most remarkable job.

Some hon. Members: Hear, hear.

Mr. Pearson: They worked round the clock to make sure that the arrangements for the next day were ready each morning. A great deal of credit should also be given to the police and security people. We may have different views as to whether there was too much or too little security, but I do not think any of us will have any difference of viewpoint as to the effective, quiet and courteous way in which all the security officers, R.C.M.P. and others, behaved during a very difficult time.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, this is one occasion when we can all join in complete agreement. I want to pay a particular tribute to the Minister of Public Works for the manner in which he discharged his responsibilities throughout this period. His efforts were most praiseworthy, and were deeply appreciated.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: This, however, does not prevent me from saying one thing about a newspaper article in last evening's Ottawa *Citizen*. I was shocked by the cartoon in the *Citizen* showing Her Majesty the Queen and her husband. This is inexcusable and goes beyond the realm of what is fair and responsible when dealing with the Sovereign.

Some hon. Members: Hear, hear.

EXTERNAL AFFAIRS

CYPRUS—REPORTED RUSSIAN STATEMENT ON POSSIBLE COUP

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs.

Yesterday my colleague the hon. member for Red Deer asked whether the Secretary of State for External Affairs had any information with respect to a report emanating from Moscow that a revolt was imminent in Cyprus, and also with regard to the position of our peace keeping forces in that country. Can the minister answer that question today?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have looked into the subject matter covered by the question of the hon. member for Red Deer, and I suspect he was referring to an article which appeared in *Pravda* echoing some concern about alleged events in Cyprus of three weeks ago, particularly remarks that were made in the house of representatives there by the leader of the party called the Patriotic Front. That person had indicated there was an intensification of activities and intimidation by certain circles on the island. However, I believe the situation has not worsened, and I do not think it warrants the conclusions referred to in the article in *Pravda*.

PUBLIC SERVICE

LEGISLATION TO INCREASE PENSIONS OF RETIRED CIVIL SERVANTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. My question relates to the business of parliament between now and the time we take the summer recess as forecast in a motion, notice of which has been given by the government house leader. Is it now clear the government does not intend to do anything, before we break for the summer recess, with respect to the pensions of retired civil servants?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, first of all I should like to point out that no administration in our history has been more sympathetic to civil servants, including retired civil servants, than has this government. I should like to point to the fact that we have introduced collective bargaining for civil servants and we have made every civil servant, and indeed every Canadian who receives the old age pension, the recipient of a minimum income of $105 a month.

Some hon. Members: Order.

Mr. Speaker: Order, please.

Inquiries of the Ministry

Mr. Knowles: I have a supplementary question, Mr. Speaker. May I ask the minister who is answering my question whether he will deal with the point about which I asked, namely whether anything will be done for retired civil servants between now and tomorrow night.

Mr. Benson: Mr. Speaker, I was on the point of answering this question. As my hon. friend knows, this is a very involved question. Indeed, consideration will be given to it by the government between now and tomorrow night but, as I have told the hon. member before, legislation will not be introduced to effect possible changes in the pensions of retired civil servants until after the recess.

Mr. Knowles: Shame.

Hon. R. A. Bell (Carleton): May I ask the President of the Treasury Board whether the government intends to make any increases to retired civil servants' pensions retroactive?

Mr. Benson: This would be my hope.

NORTHERN AFFAIRS

CHURCHILL, MAN.—THREATENED CLOSING OF VOCATIONAL SCHOOL

On the orders of the day:

Mr. Robert Simpson (Churchill): I should like to direct a question to the minister of northern affairs. In view of recent announcements which have caused great concern in Churchill, Manitoba, relating to the possible removal of the Eskimo school and administration staff from Churchill to a spot in the territories, can the minister assure the house that every consideration will be given before this removal takes place; because all the facilities necessary for carrying on that school are now located in Churchill.

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, I believe the reply I made to the right hon. Leader of the Opposition the other day dealt with that matter. There is no change in our policy from that which I announced in 1965, and it will be a matter of two or three years yet before there is any possibility of any change. I do not believe, therefore, there is a great deal of validity for deep concern in Churchill at the present time.

Inquiries of the Ministry

LABOUR CONDITIONS

POSSIBLE LAY-OFFS RESULTING FROM TARIFF REDUCTIONS ON FOOTWEAR

On the orders of the day:

Mr. A. D. Hales (Wellington South): My question is directed to the Minister of Trade and Commerce. In view of the fact that almost one third of the footwear worn by Canadians is now imported, and as a result of the Kennedy round of tariff negotiations Canada has agreed to reduce the tariff on imported footwear by 2.5 per cent, what steps does the government propose to take to provide jobs for the thousands of shoemakers whose employment is now in jeopardy?

Mr. Speaker: Order, please. The hon. member is aware that the house has agreed to call the estimates of the Department of Trade and Commerce tomorrow afternoon for the purpose of considering the very type of question now raised by the hon. member. I believe that might be the time to discuss this matter.

The hon. member for Portneuf.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, my question concerned the situation in the shoe industry, to which attention was drawn a moment ago.

[*English*]

TRADE

CHEESE—INCREASES IN QUOTAS ESTABLISHED BY UNITED STATES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I have a question, Mr. Speaker, which I should like to direct to the Minister of Trade and Commerce. Is it a fact that the United States import quota on Canadian cheddar cheese has been raised, and if so by how much? I ask this question, in view of the fact the house is closing tomorrow and certain planning is necessary in the industry if in fact the quota has been raised.

Hon. Robert Winters (Minister of Trade and Commerce): Yes, Mr. Speaker, the quota has been raised. The United States administration, through Secretary Freeman, has now for the first time established a separate annual quota for aged cheddar cheese with effect from July 1 last. This quota amounts to 1,225,000 pounds annually on a first come, first served basis and no import licences are required. Shipments to the United States under this quota would, however, have to be certified as being made from unpasteurized milk and aged not less than nine months. If Canadian producers are able to take up the whole of the quota this would represent a doubling of the 614,000 pound cheddar cheese quota previously available to Canada in the United States market.

In addition to this specific quota for aged cheddar, the United States administration have also substantially increased their over-all quota for regular cheddar to 8.8 million pounds, as compared with the previous level of 2.8 million pounds. This quota for regular cheddar is not limited as to type of cheddar supplied. We are working with the United States authorities to ensure an appropriate portion of this over-all quota for Canada.

HONOURS AND AWARDS

AWARDS UNDER ORDER OF CANADA—INQUIRY AS TO CENTENNIAL MEDALS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, according to reports Her Majesty yesterday invested the Governor General as Principal Companion of the Order of Canada. This is very proper and appropriate. Now I ask the Prime Minister, what is the present position of this award in view of the fact it was generally felt, as I recall, that the award would be made on or before Dominion day? What is the position also in respect of the 28,000 centennial medals and the award thereof?

Right Hon. L. B. Pearson (Prime Minister): I am sure the house will share the satisfaction of the right hon. gentleman—I certainly share it—that in accord with the regulations setting up this order the Governor General has been invested by the Queen as Principal Companion. These matters are decided by a committee and I know nothing about the deliberations of that committee, but through inquiries I made this morning I understand that the first list will be coming out tonight or tomorrow.

Mr. Diefenbaker: What about the centennial medals?

Mr. Pearson: I believe the centennial awards will be following within a week or two. I am not sure of the exact date, but there is a committee at work on that now.

[*Later:*]

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, my question to the Secretary of State is supplementary to the one asked by the right hon. Leader of the Opposition. It is

about the centennial medallion. Can the Secretary of State inform the house exactly how many of these medals will be struck, what Canadians will be eligible for them and whether members of this house, as a memento of this great year in our history, will receive them?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I think the committee responsible for this matter issued a statement some time ago about the individuals or classes of individuals who would be getting the medals. It was quite clear that it was to apply to all members of both chambers of parliament.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have a supplementary question for the Secretary of State. Is my name also on the list of members of parliament to receive this centennial medal?

Some hon. Members: No, no.

Mr. Knowles: Why?

[*English*]

UNEMPLOYMENT INSURANCE

REPORTED DECISION TO REMOVE COMMISSION OFFICE FROM NORTH BAY

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I have a question for the Minister of Labour but in his absence I will ask it of the minister who is taking his place. In view of the decision that has been made by the Unemployment Insurance Commission to move its North Bay office and district audit office to Sudbury in the near future, thereby causing hardship and the probable resignation of some 26 employees, would the Minister of Labour request the commission to reconsider this move and allow this office to remain in North Bay as a service to that area?

Mr. Speaker: Order. The hon. member realizes that this is not the type of question that can normally be asked on orders of the day. However, I appreciate that there will be an adjournment tomorrow, and in view of the special circumstances perhaps the question can be allowed.

PUBLIC WORKS

PROPOSED MOVE OF DEPARTMENTAL STAFF FROM NORTH BAY

On the orders of the day:

Hon. Michael Starr (Ontario): I have a question for the Minister of Public Works. Can the minister say whether there has been a decision to move the public works departmental staff from North Bay to Sudbury? If so, would he give favourable consideration to cancelling that move?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, there has been a decision in that regard, but I would prefer to give a full answer tomorrow and provide an explanation which I think will be more satisfactory.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. F. J. Bigg (Athabasca): Mr. Speaker, I have a question for the Minister of Public Works and/or the minister of mines and resources. Has any complaint been received by the respective departments concerning the flood levels of lake Timiskaming on or about June 12 of this year?

Mr. Speaker: Order, please. I do not know whether this is a question that could be accepted even in the very special circumstances that I mentioned a moment ago.

PUBLIC BUILDINGS

VANCOUVER—REQUEST FOR CHANGE IN SITE OF NEW BUILDING

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I appreciate the precedent that you established a moment ago but may I, coming from Vancouver, address a question to the Minister of Public Works in view of the recess beginning tomorrow. May I ask the Minister of Public Works what consideration has been given to the motion that was passed by the Vancouver city council prior to June 1 relative to the location of a new federal building in Vancouver.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, a very great deal of consideration has been given to that matter. The department expects to be in a position in a very short time to make an announcement about the location of the proposed new federal building.

CANADIAN CENTENNIAL

CIRCULATION OF COMMISSION MEMO IN FRENCH ONLY

On the orders of the day:

Hon. J. W. Monteith (Perth): Mr. Speaker, I should like to ask a question of the Secretary

of State. Is the Secretary of State aware that Gilles Bergeron, associate commissioner at the centennial commission, circulated a memo to staff this morning on a code of discipline; and as the memo is in French only does this mean that the code should not apply to those who speak English?

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

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I should just like to say that I did not, of course, know about it, but happily most of the members of the commission are fully bilingual.

AIR TRANSPORT

STEPS TO DEAL WITH RESERVATIONS NOT PICKED UP

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, I should like to address a question to the Minister of Transport. Has the minister any progress to report with regard to the problem facing Canadian air lines, especially Air Canada, with regard to "no show" passengers? I understand that on some routes more than 20 per cent of the reservations that are made are not taken up.

Hon. J. W. Pickersgill (Minister of Transport): Well, Mr. Speaker, I made a suggestion in the house and conveyed it to Air Canada and to Canadian Pacific Airlines. I judge from the public prints that this is under discussion, but I had not thought Air Canada had any special obligation to report on the matter to me. However, I would be glad to make inquiries, and I will see whether I can give the hon. gentleman an answer tomorrow.

LABOUR RELATIONS

GREAT LAKES—THREATENED STRIKE BY SEAMEN'S UNION

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I wish to direct a question to the Acting Minister of Labour about the negotiations between shipping companies on the great lakes and the St. Lawrence and the Seafarers International Union which, as I understand from articles in the Montreal *Star*, have broken down. What steps does the government intend to take to alleviate any problems that may arise when parliament is not in session?

Hon. A. J. MacEachen (Acting Minister of Labour): Mr. Speaker, I should be glad to take that question as notice and answer it tomorrow if possible.

[Mr. Monteith.]

IMMIGRATION

PROCLAMATION OF NEW APPEAL BOARD LEGISLATION

On the orders of the day:

Hon. R. A. Bell (Carleton): May I ask the Minister of Manpower and Immigration to indicate when the government intends to proclaim the new immigration appeal board legislation and bring into effect the new principles therein contained?

Hon. Jean Marchand (Minister of Manpower and Immigration): We intend to do it as soon as possible. I think it would be difficult to do it before September 1, but I hope it will not be later than October 1.

GRAIN

INQUIRY AS TO INCREASED QUOTAS IN NEW CROP YEAR

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Does he contemplate any changes in the initial quotas for wheat, oats and barley by the Canadian Wheat Board for the new crop year?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, it is not normally a matter of whether the minister contemplates a change. That is usually a matter for the wheat board. I shall consult the board.

CANADIAN BROADCASTING CORPORATION

REQUEST FOR COVERAGE OF SAINT JOHN FESTIVAL OF MUSIC

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, I wish to direct a question to the Secretary of State in her capacity as reporting to the house for the C.B.C. I am sure she is aware of the Canadian centenary festival of music at Saint John, New Brunswick, that is to begin today and end on July 15. I am sure also that she is aware of the circumstances of the participants in this festival. The question I wish to direct to her is, would she use her good influence with the C.B.C. in order that the corporation may either broadcast live or film, so they may be presented at some suitable later date, the finals of July 15. I have been informed that officers of the association have had little luck with the C.B.C. The corporation rejected their representations, saying that they were not of sufficient national interest to broadcast.

Mr. Speaker: Order, please. The hon. member is now making a representation which we must assume has been noted by the minister.

Mr. More: May I add one more word. I suggest to the Secretary of State that this matter is as important nationally as are the Oscar awards. Surely the C.B.C. could give the request consideration.

Hon. Judy V. LaMarsh (Secretary of State): To answer the only part of my hon. friend's statement which was a question, I might say that if ever I had any influence with the C.B.C. it has substantially waned in the last few months.

REPORTED OMISSION OF SASKATCHEWAN FROM CENTENNIAL TELECAST

On the orders of the day:

Mr. Lawrence Watson (Assiniboia): Mr. Speaker, I wish to direct a question to the Secretary of State. Can the hon. lady explain to the people of Saskatchewan why the C.B.C., in its television coverage of the celebrations across Canada of July 1, completely ignored the province of Saskatchewan? The people of that province are gravely disappointed that their province was completely ignored and was not even honourably mentioned.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I cannot agree with the hon. gentleman's statement. By action of this government former prime ministers had their offices elevated so that present incumbents of the office of ex-prime minister would be fully in view at all times, unlike the situation during the last royal visit. Certainly a representative from Saskatchewan was large on all screens.

Mr. Diefenbaker: That is not the answer.

Mr. Watson (Assiniboia): I think the hon. lady has missed my point. I was speaking of the celebrations that were shown on television. They completely ignored Saskatchewan. I am sure the C.B.C. could have been told about this by the hon. lady.

EXTERNAL AFFAIRS

ALGERIA—REQUEST FOR RELEASE OF MOISE TSHOMBE

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, two days ago I asked the Secretary of State for External Affairs whether the government of Canada had made any representations to the government of Algeria concerning the release of Moise Tshombe, the former premier of the Congo. Since parliament does not have much time before it recesses I should think this question has become increasingly urgent. If world opinion is not mobilized against that act of piracy to which attention has been drawn I doubt whether Mr. Tshombe will have much time, either.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, Mr. Tshombe is not a Canadian citizen. He is in Algeria. Whether he is extradited will depend on the law of Algeria. Compassionate as I am, I doubt if my writ runs that far.

TRANSPORT

POSSIBLE APPEAL OF COURT DECISION RESPECTING THE "FLORIDA"

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, may I direct a question to the Minister of Transport. Now that the court has decided that the *Florida*, which we have discussed a number of times, is no longer to be considered a ship, does the Department of Transport intend to appeal that decision?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I should say that the officers of my department have been discussing this question with the law officers of the government. Until these discussions are completed I am afraid I cannot give a definite answer.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

DEPARTMENT OF NATIONAL DEFENCE

The Chairman: Order, please. House again in committee of supply, estimates of the Department of National Defence for the fiscal year ending March 31, 1968. Vote No. 1, which will be found on page 308 of the blue book, with the details listed on page 312.

1. Departmental administration, including grants to military associations, institutes and other organizations as detailed in the estimates and authority, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the Treasury Board, for total commitments of $2,850,056,375 for the purposes of Votes 1, 15, 20, 25, 30, 35 and 45 of this department regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,221,323,000

will come due for payment in future years) and authority to make recoverable advances under any of the said votes and, notwithstanding the Financial Administration Act, to spend revenue received during the year, subject to the direction of the Treasury Board, in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization, any member of the British Commonwealth or any provincial or municipal government and in respect of charges made pursuant to regulations under the National Defence Act for:

(a) clothing and kit items sold to members of the Canadian forces;

(b) living accommodation;

(c) food supplied to members of the Canadian forces and to messes and institutes catering thereto; and

(d) medical and dental care provided to dependants of members of the Canadian forces (details, page 312) $6,593,375.

Mr. Winch: Mr. Chairman, a few days ago when we first discussed vote No. 1 of the national defence estimates two members of the official opposition and I asked the minister some questions. As specific answers could not be given then, may I ask whether the minister intends to give us a brief resumé of some answers to those important questions? Would the minister also inform the house how much it cost the Canadian taxpayers to move our squadrons in France after they had been kicked out to another country, despite the fact that they had been placed where they were for the protection of France?

• (3:10 p.m.)

Mr. Hellyer: Perhaps I can answer briefly some of the questions which were raised the other day and then try to deal with the question just asked by the hon. member.

The hon. member for Edmonton West wanted to know the total strength of each service. The figures I have, are Royal Canadian Navy, 18,367; army 42,580; air force, 45,025.

The hon. member also asked how many of our personnel were on retirement leave on the same date. The figure is 1,104, which I think is the lowest for many months, perhaps even for many years. He also asked about recruiting by services and I can give that information for the first five months of 1967.

Royal Canadian Navy	Officers	Other ranks	Total
Jan.	6	131	137
Feb.	54	365	419
Mar.	1	291	292
Apr.	6	176	182
May	2	298	300

[The Chairman.]

The figures for June have not yet been compiled.

Canadian Army	Officers	Other ranks	Total
Jan.	12	327	339
Feb.	103	320	413
Mar.	71	486	557
Apr.	6	510	516
May	12	470	482

Royal Canadian Air Force	Officers	Other ranks	Total
Jan.	120	287	407
Feb.	42	439	481
Mar.	156	682	838
Apr.	48	360	408
May	110	562	672

The hon. member for Calgary North asked about the increase in the dollar budget. This is due entirely to increases in pay and allowances and consequent increases in government contributions to the superannuation fund. There is an increase of $49 million for military pay and allowances, $8 million for civilian salaries and wages and $59 million in government contributions to the pension fund.

The hon. member asked about the cost of the hydrofoil. I understand that this question was answered in some detail in the house yesterday by the Minister of Defence Production.

As far as the CF-104 and its roles are concerned, there is nothing to add to what has already been stated in the house. It is to continue in the roles which have been assigned to the Canadian air force in Europe—reconnaissance, nuclear strike and conventional attack. It is planned to continue these roles for some time in the future. It is still the policy of the government as stated in the white paper of 1964 to reduce the strike role as the number of airplanes is reduced by attrition, so there will be a continuing reduction over the years in line with present policy.

The hon. member for Vancouver East asked about minesweepers. As he probably knows, five of our minesweepers were recommissioned this year as training ships. They are presently in commission, though they have not been restored to their minesweeping capability. This particular capability is still considered to have a relatively low priority as compared with other tasks assigned to the Canadian armed forces. I would add that the techniques of mining and minesweeping are changing. Continuing study is being given to these developments in order to determine what capability would be the most effective in the years ahead should a decision be taken to acquire some limited minesweeping capacity.

I was asked how many airplanes we expected to get from the CF-5 program. At the moment the number is still 115, at a cost of $215 million. There is some possibility that we might alter the number of airplanes to a small extent, but if we did this we would expect a reduction in the cost of the program. In other words, under a $215 million program we should expect to get a total of 115 planes.

A question was raised with respect to the tankers to be provided for these airplanes. It has been decided it would not be advisable to use the Hercules. Studies have been under way and are now under consideration by the government with respect to the acquisition of a jet refueller for the CF-5 and any subsequent follow-on aircraft.

A question was also raised as to whether there will be sufficient pilots to man the CF-5's. I assure the committee that there is in fact no pilot shortage. There will be an adequate number of pilots to man these planes in the years ahead. They will come from the training stream, which is being augmented. In addition there will be some pilots available from the air division in Europe as the total contribution there diminishes. So we anticipate there will be enough pilots to meet the demands consequent upon the formation of these three new squadrons.

I was also asked a question with regard to the manning of the *Bonaventure*. I wish to assure the house that on the basis of the most recent information given me by the commander of maritime command the manpower to run this vessel when it comes out of repair has been earmarked for many months. He has assured me that the men are available, that he knows where they are and that they will be assigned to this ship as soon as it is ready to come back into service.

Mr. Churchill: Is that in addition to the manning of the other ships?

• (3:20 p.m.)

Mr. Hellyer: It is in addition to the manning of the post-war destroyers. As to the cost of the repairs to the *Bonaventure*, the present estimate is of the order of $12,570,000. This, of course, is greater than was anticipated at the time the refit commenced. The increase in costs is attributable to a number of factors. These include sales tax, wage escalations, increased material costs and an increase in the amount of work to be done which was discovered only after the ship was stripped down, at which time it was possible to see the state of repair of some of the original machinery which could not be adequately determined until it was actually in refit. I am advised, and I believe this to be the case, that there was no fault in the tendering which caused this escalation. The entire increased cost was due to the factors I have just indicated to the committee.

A question was also raised concerning the situation in respect of the DDH-280's, known as destroyer helicopters. Tenders have been called and the lead yard will be determined after the tenders have been received. It is anticipated that the starting date will be November 15, 1967, or approximately that date. The savings associated with the cost of constructing two ships in each of two yards as opposed to the cost of constructing one ship in each of four yards is appreciable. What the difference actually is is difficult to determine because it would be necessary to call tenders side by side in the two different manners in order to know precisely what it is. It is estimated, however, that this technique will result in savings in the order of $5 million on the project.

The figure of $61,196,000 which appears at page 318 is not related specifically to these two lead ships; it is the total of the 1967-68 cash requirement for all ship construction, including this program. I think this covers the question which was asked by the hon. member for Halifax. I believe it also covers the majority of the questions that were asked.

In respect of the question just asked by the hon. member for Vancouver East I should like to say that it is not yet possible to determine the actual cost of moving the squadrons to Germany from France. We are still in the process of negotiating a settlement in a number of areas. Until the negotiations are complete we will not be able to give precise figures. I would hope that during the course of the summer months it might be possible to have all of this work completed. Perhaps by the time the house resumes its sittings we will be in a position to indicate the total.

Mr. Winch: Is my understanding correct that France is not prepared to pay any part of the cost and that it is up to Canada?

Mr. Hellyer: I do not think I should comment at the moment on the specific details, because there are a number of negotiations under way. This is really only partly under my jurisdiction. I believe it would be preferable to wait until we know what the results of the negotiations are before reporting in respect of them.

Mr. Winch: I assume that the cost of moving the families will be completely the responsibility of Canada.

Mr. Hellyer: That is quite correct. These costs are our responsibility. As soon as the bills come in we will be able to compute this and give my hon. friend an answer.

Mr. Harkness: Mr. Chairman, the minister has not answered a number of other questions which were asked of him. I should particularly like him to comment on some of them in addition to the answers he has given at this time. I asked the minister several questions in connection with the proposed communications satellite and whether it was to be purely a military satellite or a combined military and civilian satellite. I am also interested in knowing how it will fit into the available slots, as it were, which are available in space for communications satellites and whether this program, if it goes ahead, would mean that Canada would have one less civilian communications satellite which it could use or could orbit. I wish the minister would elucidate on that matter.

I also asked the minister for a breakdown of the amount of money being spent on equipment for each of the services, the navy, the army and the air force, which he now prefers to call equipment for the sea environment, the land environment and the air environment, so that we may have some means of comparing what will be spent in the present fiscal year for these purposes compared with other years. This is not disclosed in the estimates at the present time.

In addition I asked the minister when the first keel will be laid for the four new destroyer escorts. He said something about the destroyer escorts and they have been talked about now for a considerable length of time. As I believe he mentioned when these estimates were under discussion on June 22, the only actual orders which have been placed in connection with them are for some propulsion machinery. We would now like to know when the keel of the first of these destroyer escorts is to be laid. We would also like to have some estimate of when they may be ready for service. After the minister answers these questions I should like to make a few comments on some other matters, including the hydrofoil.

Mr. Hellyer: Mr. Chairman, the aim of the tactical satellite communications program is to develop satellite communications terminals and technology in tactical environments, that is, aboard ship, in aircraft, and mobile terminals for the land forces. This is to be a joint NATO program, the governments participating being Belgium, Canada, Germany, Italy, the Netherlands, the United Kingdom and the sponsor, the United States. A draft memorandum of understanding has been prepared. It likely will be agreed to at a NATO meeting some time in the latter part of this summer and will then be presented to the participating countries for ratification shortly thereafter.

The United States has already launched the first experimental satellite. The participating countries have agreed to provide their own terminals and share the results of the test program. Canada has initiated procurement of two mobile terminals and will commence technical trials about December, 1967. The information thus acquired, and shared by all countries, will be used to develop tactical hardware in a later phase of the program. Canadian test terminals will be manned by Canadian military personnel already on establishment.

In so far as the relationship between this project and the possibility of Canada putting into orbit its own communications satellite is concerned, I am told there is no interference between the two projects.

Mr. Harkness: Mr. Chairman, when these estimates were under discussion before I believe the minister mentioned there would be a second communications satellite to be shared by the United States, Australia and Canada. The only one to which the minister has referred now is the NATO project which was agreed to earlier by the various NATO countries. I wonder what the effect of this second one will be so far as other civil communications satellites are concerned. It is my understanding that there is room for only a very limited number in space if they are to be effective.

Mr. Hellyer: Mr. Chairman, I am sorry that I forgot the context in which this matter was being discussed. If I recall correctly from memory, there will be the possibility, under the program I have just discussed, of a second satellite being put in orbit at a later time in addition to the one the United States has already put into orbit. The question my hon. friend is asking has to do with the project known as project Mallard which is a trilateral project between the United States, Australia and Canada. This does not involve putting a satellite into orbit. It is a battlefield communications system which does not involve

putting a separate communications satellite into orbit.

• (3:30 p.m.)

Mr. Harkness: In that event I think the minister probably misled us on June 22 when he interrupted me in respect of this matter and said there were two systems, one being developed by Australia, the United States and Canada for ground forces, and the other being a NATO system. From what the minister has now said there really is only one system, not two as he said at that time.

Mr. Hellyer: There are two separate systems. One involves putting satellites into orbit and the other does not. If that system requires satellite communication, presumably it will use satellites already in orbit and available for that purpose.

Mr. Harkness: I also asked the minister to give a breakdown in respect of the amount to be spent on equipment this year for the navy, army and air force respectively.

Mr. Hellyer: Mr. Chairman, I am somewhat reluctant to give that information. As I indicated to the committee previously, this information ceases to be relevant because the tasks which are assigned to the armed forces and the amount of money which is apportioned to each task are changing. For example, there might have been a transfer of an assigned responsibility in a certain area from one force to another. One would have to examine the relevant responsibilities as well as the amounts available to get a side by side comparison. In view of the fact we are moving in the direction of functional budgeting, and because of the reason I just stated, this information ceases to be relevant, particularly on a comparative basis so far as the navy, army and air force are concerned.

While I have the floor, perhaps I could elaborate briefly on an answer I gave regarding the destroyer escorts. The date I gave, November 15, is the best projection available at this time as to the commencement of work. Presumably the keels will be laid about that time or very shortly thereafter.

Mr. Harkness: What was the date?

Mr. Hellyer: November 15 of this year.

Mr. Harkness: I can understand the reluctance of the minister to give us a breakdown. I think it is related to the fact that he does not want us to compare what is to be spent for each of the forces this year with what was spent in the past five or six years. This is the basis of the complaint we raised when these estimates were before us before and on points of order and questions of privilege. The present form of the estimates is not in accordance with the law which is still in effect until the act in respect of the amalgamation of the three forces is proclaimed. If the estimates were in the prescribed form we would be able to compare what is being spent this year with what has been spent in previous years. I believe that the committee is entitled to this information and the minister should give it to us before the estimates are passed.

The Chairman: I recognize the hon. member for Vancouver East.

Mr. Harkness: Is the minister not going to give us this information? He said he was reluctant to give it but I think the committee is entitled to it and I am now asking that he give a breakdown in respect of forces expenditures.

Mr. Winch: Mr. Chairman, I hesitated to rise because I thought the minister might give an answer. Approximately a minute has passed since the question was asked. I should like to ask the minister to take a few minutes to explain the situation in respect of the 970 forces personnel who have now been brought back to Canada from the Gaza Strip. I should also like to ask the minister to clarify the position of our personnel assigned to the truce commission. Will he explain their function?

Will the minister also indicate whether we are keeping some kind of force on hand for the Middle East in the event that Canada is requested to perform some role there? I hope the minister will take us into his confidence and indicate the size and type of force we would be able to provide in the event of that necessity arising. Let me follow that up by asking the minister to bring us up to date in respect of the mobile command. When does he expect this command to be trained and fully equipped and able to fulfil its purpose as mentioned by the minister, namely, availability at quick notice?

Mr. Hellyer: First of all, let me say that the troops who served in the Middle East were drawn from units of the regular forces. In many cases their jobs were not filled. Therefore the men no longer required in the Gaza Strip will go back to their regular positions following their leaves.

So far as our capability to provide troops if they are needed in future is concerned, let me

say that we can meet any reasonable request. As my hon. friend knows, we have one battalion on stand-by which is instantly available for United Nations duties provided the government of Canada decides it is in the interest of this country to participate in some United Nations role. Whether or not the need would be for an infantry battalion, we do not know. Fundamental to the whole philosophy of United Nations peace keeping, it has been our experience, as related in the white paper, that no two requirements are alike. For that reason, rather than building up a special force we have found that we have been able to meet each requirement as it occurred. This is true because we have well trained and well equipped forces and are able to extract from them those men with the particular capability required at a particular time. I am sure this would again be true regardless of whether it was support personnel, an infantry battalion or something of that nature. It would be quite impossible to speculate as to the specific individuals, units or sub-units that would go until the actual requirement was known. I think my hon. friend will appreciate this.

• (3:40 p.m.)

So far as mobile command is concerned, its reorganization is coming along very successfully. This is a major reorganization, as my hon. friend knows, and it will take a number of years to implement it in full. In other words, it will take a number of years to acquire all the machinery and equipment that is required for the total force and to have the troops trained in the use of that equipment and bring them to the maximum of operational capability. Throughout this period they are maintaining their operational capability and enhancing it all the time, but I think it will reach a new peak of effectiveness in perhaps three or four years time, around 1970 or in the early 1970's.

It will take that long, because of the lead times involved, to acquire the equipment, make it available to the various formations, set up the training requirements for each of the equipments and train the troops to be proficient in their use. So I would think the present high capability would continue to rise throughout, say, this entire five year period but that it would reach a new peak of military effectiveness in four or five years time.

Mr. Winch: Mr. Chairman, may I ask a supplementary question? I appreciate the answer given by the minister. Developments happen very fast these days. The situation in the Middle East developed very fast, a war started and it was over in six days. The United Nations is now having to consider at the diplomatic level all of the occurrences in the Middle East. This leads me to the question I wish to ask.

I understand that the house may adjourn until September 25, approximately two and a half months from now. I am very pleased to see the Secretary of State for External Affairs in the chamber while I put this question to the Minister of National Defence. When things happen so fast, when we hardly know from day to day, let alone from week to week, what may happen in the Middle East or what decisions may be made by the United Nations general assembly, which has adjourned for a week, or by the security council of the United Nations, if a decision is made there which may involve a request to Canada for military aid, will a decision in this respect be taken by the government without the matter being considered by parliament or will parliament be asked to come back if such a request is made? I am certain the Secretary of State for External Affairs and the Minister of National Defence know what I am talking about. If we adjourn until September 25, having in mind the speed with which developments occur today—God knows they develop very quickly—and a decision is made by the United Nations general assembly to request military aid from Canada, will this requirement be met by the government during the recess or will it ask for the authority of parliament?

Mr. Hellyer: This is a hypothetical question, Mr. Chairman.

Mr. Winch: But it is an important one.

Mr. Hellyer: I agree with my hon. friend that it is important. If the requirement was to send an augmentation for UNTSO, the United Nations truce supervisory organization, I am sure this is a matter that could be dealt with expeditiously without the necessity of calling parliament. If, on the other hand, the requirement was of a substantial nature it would of course be necessary to call parliament at once to ratify any action the executive had taken.

I believe this policy was well set out by Mr. St. Laurent and has been reiterated since then by the Secretary of State for External Affairs and perhaps by myself in the house. I can assure my hon. friend that if any action was taken by the executive which involved a substantial contribution beyond the present

terms of reference, we would feel obliged to call parliament at once.

Mr. Winch: I believe 970 troops were withdrawn from this area. Does the minister's answer mean that this commitment is now finished and that our having had troops there previously does not mean we would automatically send them back? There would have to be a new agreement, would there?

Mr. Hellyer: I think that is correct, Mr. Chairman. Unless the force was a reactivation of UNEF, the order in council would not give authority.

Mr. Winch: That is the very point I wanted cleared up.

Mr. Hellyer: I do not think anyone would try to hide under that subterfuge. If it was a new force, new authority would be required.

Mr. Lambert: Mr. Chairman, I do not want to cut in on the argument put forward by my colleague the hon. member for Calgary North but I want to reinforce the argument he has made with regard to the breakdown of the procurement of equipment as between the forces as they exist today. I wish to draw to the minister's attention the remarks I made on June 22 last which appear at page 1827 of *Hansard*. As reported in the middle of the first column, I said:

> Let me point out that in the estimates there is no amount shown specifically for procurement of aircraft for the navy. There is an amount shown in respect of aircraft and engines for the whole force. That is all very well, but we have no specific information in this regard.

If we look at the item "Maritime Command" on page 319 of the estimates book, we see there is an item of capital expenditure proposed amounting to $115,957,000. This does not give us any detail with regard to the procurement of ships, aircraft, or any information with regard to ground or mobile installations, and so on. We certainly cannot obtain this information from the details which appear on page 318, where there is an item for major equipment, ships, of $61,196,000. Then there is an item for aircraft and engines amounting to $95,221,000. What the minister is actually asking the committee to do by his refusal or reluctance to give us a breakdown is to give carte blanche approval to very large items of expenditure for which we are given no details.

With respect to aircraft, for instance, we do not know how many are going to maritime command, how many are going to mobile command, how many are going to the air division, air defence command or transport command. We are told that the answer will be found in the total. This is not good enough. This is precisely the point raised by my colleague the hon. member for Calgary North. I am concerned about this matter. I should like to know just what part of this capital expenditure is for maritime command.

Mr. Hellyer: Mr. Chairman, I am afraid there is a misunderstanding in this respect. I have no reluctance whatsoever to give the breakdown and the details in respect of ships and airplanes and to indicate where they will be used. I am quite prepared to do this. To break these figures down into army, navy and air force specifically would be difficult now.

Mr. Lambert: By law the estimates had to be printed that way because the act still insists that there is an army, navy and air force.

Mr. Hellyer: The estimates were prepared in precisely the same form as that used in previous years. In so far as the votes are concerned, there is no difference now in the way they appear compared with last year or the year before. My hon. friend is aware of this.

Mr. Lambert: Yes, there is a difference.

Mr. Harkness: There is a big difference, Mr. Chairman, I should like to point out to the minister that in all previous years the amount of the equipment procured for each of the navy, army and air force was specifically set out in the estimates.

Mr. Hellyer: It was in the details, but not so far as the votes were concerned.

• (3:50 p.m.)

Perhaps I could give the breakdown of the three major items:

Ships: Maritime Command	
Miscellaneous construction in 1967-68	$1,000,000
Design support	4,255,000
Mechanical and electro mechanical equipment	1,269,000
Small boats and motors	168,000
D.D.H. class	16,494,000
Oberon submarines—equipment, material and construction costs	8,540,000
St. Laurent class conversion (program completed)	—
Restigouche class conversion	15,000,000
Operational support ships	11,500,000
Bonaventure improvement	2,970,000
Total:	$61,196,000

This is an increase of $24,462,000 over the estimate for the same class of objects last year.

Aircraft:	
Cariboo aircraft (no expenditure contemplated)	$ —
Yukon aircraft, CC-106	300,000
Starfighter aircraft, CF-104	2,100,000
Hercules aircraft, C-130-E	1,000,000
Re-engining the Cosmopolitans, CC-109	800,000
Silver Star, T-33	550,000
Tracker midlife modernization, CS-2F (maritime command)	2,500,000
Buffalo aircraft, CC-115 (mobile command)	11,396,000
See King helicopter, CHSS-2 (maritime command)	8,000,000
Light attack aircraft, CF-5 (primarily mobile command)	60,000,000
Voyageur helicopter, Labrador helicopter (no expenditures this year)	—
Tudor Aircraft, CT-114	660,000
Utility jet, CC-117	7,700,000
Miscellaneous	215,000
Total:	$95,221,000

This is a decrease of $23,339,000 over the previous year's estimates.

Electronic and communications equipment:	
Communications equipment:	
fixed	$11,955,000
mobile (air)	1,407,000
mobile (sea)	1,303,000
mobile (land)	3,056,000
Radar, nav. aids, infrared and I.F.F. equipment:	
fixed	1,168,000
mobile (air)	1,289,000
mobile (sea)	1,775,000
mobile (land)	530,000
Operational data processing equipment:	
fixed	550,000
Electronic warfare equipment: E.C.M.	
fixed	3,021,000
mobile (air)	198,000
mobile (sea)	2,030,000
mobile (land)	267,000
Sonar and anti-submarine warfare equipment:	
air	8,463,000
sea	1,126,000
Cash abatement imposed to meet exigencies re programming	(5,000,000)
Total:	$33,138,000

Mr. Winch: May I ask the minister a brief supplementary question? As the minister may know, I and other members of the defence committee who were previously members of the reserve and the militia had a major complaint, namely, that there was a lack of proper equipment for the reserves, the militia and the cadets. In the breakdown which the minister gave us no sum was allocated for the equipment and re-equipment of these men. It seems to me it is most important that this be done so as to build up morale and facilitate their training. Why did the minister not mention the allocation of one cent for new equipment to provide proper training and to build up the morale of the thousands upon thousands of civilians who are in the militia? Is nothing being allowed for this purpose? I cannot understand how it is possible that this year there is not one cent in the estimates for new equipment for the reserves and the militia.

Mr. Hellyer: I did not cover all the details but just the major items because these were the ones which involved the largest dollar expenditures. We have here some minor equipment for the reserves as follows: ships, $46,000; armament equipment, $701,000; miscellaneous technical equipment, $190,000. The total is $937,000. I may say that this expenditure is programmed to increase slightly in the years ahead. We will be providing more new equipment than has been provided in the immediate past. It does not mean we are going to provide new equipment for the total reserves as this is not feasible within our budgetary limitations, but it does mean we are going to provide sufficient up to date equipment to enable the men to see what the equipment looks like and when they exercise with the regular forces they will be in a position to make the maximum use of their training.

Mr. Harkness: In the list that the minister gave us I noticed that no equipment was being provided for the army except for some communications equipment, and thus the minister's reluctance to give the type of breakdown that was asked for becomes more and more understandable. In addition to the point made by the hon. member for Vancouver East, that no equipment for the reserve forces was mentioned by the minister, no equipment was mentioned with reference to the army except for some communications equipment for what the minister now calls the land environment.

However, I should like to say something about the hydrofoil. I asked a number of questions with regard to the hydrofoil when the estimates were last discussed on June 22, and in reply a short time ago the minister merely said that the cost of this craft had been given in answer to written questions. Actually they were questions put on the order paper by the hon. member for Melville and they showed that the cost of

this program is now estimated at $50 million. I think this is a matter of very considerable concern to all members of the house. A great deal of consideration was given to the authorization of this program in 1961 and 1962. At that time the total cost of the program was supposed to be under $10 million. Now the cost has escalated to five times that amount and I think the end is not yet in sight.

• (4:00 p.m.)

This seems to be an example of very poor estimating. I know there was a fire which caused some increase in costs, but it seems to me there must be some other reason for the enormous escalation in the cost of this program.

Looking at the Auditor General's report for 1966, we find that he goes into this matter in some detail. He indicates that in April, 1963, the estimated cost of the hydrofoil project was $9,100,000. Then, in March, 1964 it went up to $16,300,000. By June, 1964, only three or four months later, it was up to $20,655,000. By November of that year the cost had risen to $26 million. I should like to ask the minister the reason for this big jump in the estimated cost from $20 million to $26 million in the course of about six months. Then, in June 1965, another eight months or so later, the cost went up to $36 million, a jump of $10 million. By April, 1966, the cost had risen to $43 million. Now there is another big jump in the space of one year to $50 million.

What are the reasons for these very large increases in costs? As I say, in a few months' time the cost rose from $16 million to $20 million, from $26 million to $30 million and then from $43 million to $50 million. This is the type of thing which I believe causes a large number of people to lose confidence in estimates. We have an estimate for a certain amount of money for a certain project and then we find the cost has increased fivefold. Another example of an estimate which has increased by four or five times over the original estimate is the arts centre, close to where we are sitting. In view of our primary function as members of parliament to keep an eye on expenditures, I feel we should have a full explanation.

Mr. Hellyer: I agree with my hon. friend that the original estimate for this project was not as accurate as it might have been. Since my hon. friend was the minister at the time the original estimate was made, perhaps he could help me explain why the estimated cost was not more accurately forecast at that time. Since that time there have been a number of contributing factors. There have been increases in taxes and wages. I presume, and I am saying this only from memory, that the weapons system has been included since I believe the anticipated cost of the weapons system is of the order of $10 million.

This figure was included in the amount the Minister of Defence Production gave the house yesterday. The total amount for the ship system, therefore, would be $40 million and about $10 million for the weapons system. In addition, there was the cost of the fire, as my hon. friend explained, the extended program period due to the fire and the extra overhead that is involved resulting from the extension of the program. My hon. friend is quite right, however, in pointing out one of the serious difficulties, particularly in development projects, of getting more accurate estimates. We are making an effort to improve the technique, and I feel with some success. I do not believe there will ever be perfection in this field because historically in this country, the United States, Great Britain and France, the estimated cost of these major development programs, airplane developments and ship developments, has escalated by a factor of two, three or four or even more over the original estimate.

Under our new system we are requiring much more extensive program definition than was the case previously. This in itself involves some expenditure. The aim of the project has to be more clearly outlined and the various steps involved recorded on paper. The cost of each of the steps involved has to be estimated with a greater degree of accuracy and detail than was previously undertaken. I fully expect this will reduce the margin of error in the future perhaps by 50 per cent, but I am not yet confident that any system has been devised which will predict accurately the cost of new development projects.

I should point out to my hon. friend, however, that as the cost increased the options available were to cancel it, which would have meant a total loss in so far as the determination of these new areas of knowledge is concerned which we were pursuing, or to continue to spend the extra money required and gain experience in a number of very important areas. This is a new method of propulsion. The fixed foil system for open ocean travel is a new concept. The method of transferring the power involved new techniques. The habitability of this kind of ship is unknown. For these and other reasons we felt that the knowledge which would be gained

for the armed forces through continuing the project and from taking the ship to sea for trials would justify the expense involved.

Mr. Harkness: Dealing with the latter statement of the minister, I point out that when the project was first authorized it was, of course, on the basis of the high potential value it would have if it proved successful. It was authorized, to begin with, on the understanding that the cost was not going to run to anything like the figure it has. In other words, at that time the estimate was, as I understood it, practically guaranteed to be in the neighbourhood of $10 million. I should like to ask the minister if the contractors doing this work have been working on a fixed price contract or a cost plus contract, and to what extent has this contributed to the increase in the cost of this project?

Mr. Hellyer: I do not have the entire answer to this question, Mr. Chairman, since it relates to the responsibilities of the Minister of Defence Production. The original contract, which I think has been recently changed since the fire, involved a bonus incentive system whereby the units were priced out at agreed rates and there was an incentive to the contractor to try to complete the ship at less than the unit cost and in less than the prescribed time. If this were the case, his profit margin would have been enhanced. If it were not the case, he would suffer a loss.

It is very difficult with a development project of this kind to get a fixed price contract because there are so many unknown elements that no one would bid on it in those terms. However, I do not disagree with my hon. friend when he says that perhaps if the total cost had been anticipated at the time the project was authorized it might have been looked at differently. But when you get half way through a project and have spent $30 or $35 million, then the decision is really to spend another $15 million in order to gain knowledge in a number of areas that are of interest to you, and that is the decision you have to take and not the original one.

Mr. Harkness: Has the supervision of this project been in the hands of the Defence Research Board, the naval construction branch of the department or who has been supervising the work being performed by the contractor?

• (4:10 p.m.)

Mr. Hellyer: We have a project officer in the Department of National Defence in charge of the project, but of course the contract itself is the responsibility of the Department of Defence Production and any increases in cost have to be approved by Treasury Board in the normal manner.

So far as recommendations to carry on with the project are concerned, this matter was considered at defence council where the advice of the chief of technical services and his officers, other senior staff officers and the defence research board was obtained. There was an opportunity for everyone who was interested to state their point of view before a decision was taken.

Mr. Harkness: Mr. Chairman, I do not know that the minister quite understood the question. When a naval vessel is built—and this vessel is a naval vessel—there has always been to my knowledge a supervisory staff present at the site to ensure that the proper standards are met in constructing the vessel, in regard to the equipment put into it, and so on. Who is in charge of this on the construction of the hydrofoil?

Mr. Hellyer: Mr. Chairman, we have a naval captain in charge of the project who has officers responsible to him, and they are responsible for the technical standards.

Mr. Winch: Mr. Chairman, as a result of the fire that occurred on the hydrofoil the government and therefore the taxpayers have to spend an additional $3 million on the project. It is my understanding that the Department of National Defence has a project manager—I believe that is the term—present at all times. This gives rise to the question I have in mind. My information—and I would not disclose it unless I considered it authentic—is that the fire occurred because of the complete neglect of all safety factors at the shipyard. As I say, I have this information on what I consider the highest authority. Apparently there was inflammable material in the engine room at the time and when the engines were tested an explosion occurred followed by the fire.

I should like to ask the minister what report he has received from the project manager as to the cause of the fire and whether the cause was, as I am informed on highest authority, neglect of safety factors. If that was the case, then the $3 million extra cost should be a charge on the shipyard, not a charge on a department of the government or the taxpayers. Can the minister give the house any factual information from the report he received as to the cause of the fire and state whether or not there was complete neglect of safety factors in construction?

Mr. Hellyer: Mr. Chairman, there was a board of inquiry and I would not want to answer the question without getting a copy of its report and refreshing my memory. I do not think the situation was as my hon. friend states. Certainly that is not my recollection of it, but I would not want to comment without taking another look at the findings of the board.

Mr. Johnston: Mr. Chairman, I am also interested in the answer given by the minister in regard to the assumed total cost of the hydrofoil project. It was rather significant that in this morning's paper there appeared another item dealing with defence but in relation to another country altogether. It tells of the decision of France to pull out of a joint venture with the British to build an Anglo-French V-G aircraft, which was to be a very sophisticated strike and reconnaissance aircraft. It was hoped that it would be the pride of the Royal Air Force after delivery in 1975, but the scheme has been shot down.

The last two paragraphs of the article have some interesting things to say about the experimental work that goes on in the defence industry and I think it applies equally to Canada in relation to the hydrofoil project. The article has this to say:

> Industrially, the V-G was considered vital because it gave Britain's substantial aircraft industry a chance to work on a technically advanced model. The theory was that such work would produce valuable expertise for British industry as a spin-off.
>
> Without advanced military projects, British airframe makers may be unable to keep first-class designers on their payrolls. The industry would decline, it is feared, and dependence on U.S. planes would increase.

It seems to me, Mr. Chairman, looking at the estimates of the department and noting the enormous expenditure on defence by a country with the population of Canada, that we should seriously question whether in this day and age we should be prepared to launch into experimental work in defence unless it is almost guaranteed that there will be some valuable spin-off into private industry of some commercial worth as a result. I also feel we need to pause and reflect on the fact that our dependence on the United States for defence, as the dependence of Britain or any other country which associates itself with the western group of nations, will be increasingly greater. I noticed that the minister of external affairs was with us for a while this afternoon listening to this debate, and I regret that he has now left because external affairs and foreign policy are so keenly involved here.

The real question for Canadians now is not what we spend on defence or what kind of projects we will launch or are launching but rather whose umbrella we are under. I asked a question during the question period today which related very indirectly to which side we were on in today's world. A related question dealing with a matter outside the minister's department was asked by the hon. member for Grey-Bruce on June 19. It concerned the training of pilots for Algeria under external aid. The Prime Minister promised at that time that an answer would be given the next day. I looked at the next day's *Hansard* but did not find an answer there, and I have not had time to make a diligent search to see whether an answer was given.

On that occasion the Leader of the Opposition asked: When did they become our allies? I know that the official opposition has been very preoccupied lately with its own labyrinth of leadership problems and in various ways has been marching along roads more tangled, I am sure, than the streets of the Casbah, but I can tell the Leader of the Opposition when Algeria became an ally of ours. It was in March, 1966, a day or two prior to March 18; I cannot be exact on the date. We then signed an accord with that nation which involved providing a variety of forms of aid, and if the information presented by the hon. member for Grey-Bruce is the case, something very close to military aid was to be provided and so is very important to us today.

• (4:20 p.m.)

It seems to me that we do not examine closely at the present time who our allies are, where our aid is going and for what purposes it is given. Though we spend $1,688 million on defence we seem to be engaged in several external affairs policies that could be detrimental to the very defence that we boast we are spending so much for.

The minister mentioned the hydrofoil program. I wonder what other experimental programs we are engaged in at the present time. Much could be learned from this program and the way that its costs have accelerated. I doubt that there will be much spin-off into private industry or into the shipbuilding industry of Canada from this project. It seems to me that at a much earlier time we might have shown the sort of realism that France has shown with some of its defence projects. We might have cut this project off. It was not a joint project but entirely our own.

Incidentally, defence costs in future will be such that there could be increasing collaboration between Canada and other middle powers and small, industrialized countries on a variety of ventures. Here again, when becoming involved in joint defence projects with other countries of the world we shall need to be extremely concerned about who our allies are and when and why they have become our allies.

It behooves all members in the opposition to be aware of small matters which go unnoticed. Our cultural agreement with Algeria, our exchange agreement with that country, went unnoticed because it was alluded to only in the French language press of this country. The English language press did not mention it. The agreements aroused little interest when they were entered into.

We are involved in a complicated scheme which goes by the name of Francophonie. This scheme is motivated by the highest cultural motives, the aims of which are to increase exchanges between countries that use the French language. Several nations of North Africa, particularly because of their histories, are involved in the use of this language. We tend to enter into agreements with those countries despite their being governed by regimes that ordinarily we would not countenance. Through the highest of motives we enter into alliances that will come home to roost in ways we least expect. The hon. member for Grey-Bruce mentioned one such matter which came into prominence with the outbreak of war in the Middle East. That war caught us by surprise, and policies such as contributing to a United Nations peace keeping force, policies in which we had put our trust, were found to be incapable of fulfilling the purposes for which they had been designed.

As we reach the point where we end discussion of defence estimates we should think carefully of the total costs involved in expenditures for external affairs and defence matters. We should be prepared to examine and to rethink schemes such as the hydrofoil project. We should think carefully about what we are doing in both these fields of government activity.

I appreciate the close questioning that the hon. member for Calgary North has directed toward the hydrofoil scheme, because its total cost of $50,006,000, is staggering, especially if one thinks of 50 $1 million schools or 50 $1 million hospitals. An equivalent sum could have been spent in a variety of constructive ways in Canada.

[Mr. Johnston.]

The minister has expressed the wish that the added knowledge the military personnel will gain will prove worth while. If that added knowledge is confined only to the armed forces it will be worth no more than the worth of a new toy. Such knowledge, in return for an expenditure of $50 million, will not increase the defence capability of Canada. I hope it may be possible to translate some of that knowledge into the private industrial, productive, and commercial sector of this country.

Mr. McIntosh: Mr. Chairman, as I rise to speak there are two main questions I wish to ask about this department. I will not refer to details. The first question is: In view of what has happened since we had the opportunity to question the minister in February, March and April of this year and in view of what happened in the Middle East recently, what is to be the future role of the armed forces of Canada? My second question is: Is there a role for Canadian peace keeping forces in the world today? Before the minister enunciates defence policy I would ask him to answer these two questions.

For a few moments I wish to refer to some comments the minister made in opening the discussion of his estimates. As found on page 1816 of *Hansard* for June 22 he said:

> The purpose of our defence policy is not and never was to create simply a giant peace keeping force.

That is a far cry from what he said in this house several months ago. The minister shakes his head. I shall quote certain statements he made before the defence committee. I take it from the minister's nod at the present time that he is indicating that he never maintained that one of the purposes of his defence policy was to create a giant peace keeping force.

Mr. Hellyer: I always said it was one of the purposes but not the sole purpose. So long as my hon. friend clearly delineates this distinction I am sure that we shall both be on common ground.

Mr. McIntosh: Yes. That is what I want to get straight, Mr. Chairman. I find it hard to reconcile what the minister said on the defence estimates previously and what he has said at the present time with some statements that the chief of the general staff has made. The hon. member for Winnipeg South Centre referred to those statements. I ask the minister whether the chief of the general staff had

authority to make the statement which is attributed to him in the *Globe and Mail* of April 24. The hon. member for Winnipeg South Centre referred to that article which is headed, "Mobile Peace Force Is Goal." Then follow the general's remarks:

> The creation of a mobile world peace keeping force as well as elimination of waste are the goals of Canada's proposed reorganization—

The minister a few moments ago said that this is not one of the goals of defence policy. Whom are the people of Canada to believe? Are they to believe the chief of general staff or the Minister of National Defence? Is this another red herring with which the minister is trying to confuse the public? Regardless of the question asked him, he can say both yes and no to it. I will refresh the minister's memory as to what the chief of the general staff has said. He has told us that Canada's forces are being made into a highly mobile force in keeping with their role as peace keepers in the world. He further said that in the wake of the defence white paper it was clear that Canada was committed diplomatically and militarily to an expanding peace keeping role. Here again, I say that the statements of the chief of staff are not in accord with what the minister has just told us. This is one of the matters we should clear up before we go further with these estimates. Just what is Canada's defence policy? Let the minister get up and express it clearly. I invite him to do so in the course of this debate. This is the time.

• (4:30 p.m.)

Mr. Hellyer: Yes, the policy is as stated in the white paper of 1964 and as reiterated by the Secretary of State for External Affairs in this house a few weeks ago and by myself. The priorities are set out at page 24 of the white paper on defence and they are still in effect.

Mr. McIntosh: Some of us believe the emphasis has been placed on peace keeping. The minister informed us in the committee in no uncertain terms that this was the major role. The subject was discussed many times in the committee. We were afraid we might be opting out of our collective commitments under NATO and NORAD, though the minister denied this when it was brought to his attention during the latter part of the debate.

Some people think Canada is taking a position of neutrality in her approach to external affairs. If this is the case all the figures we are referring to today might very well be wiped out. Before Canada adopts a position of neutrality we should reflect upon what happened to certain other countries which adopted a similar attitude. I say that Canada cannot possibly take such a position because of her geographical situation. If a neutral country lies in the path of an aggressor the aggressor will not recognize a declaration of neutrality. Think of what happened to Belgium and Holland in the first world war. Canada cannot adopt a neutral role in world affairs today. We are committed to the collective defence of our country and this, I think, is the major consideration in any policy devised for our protection. We must honour our commitments for peace in the world.

The minister also told us that during the period of reorganization there had been no falling off in our organizational capacity but that on the contrary in practically every field our operational capacity had been enhanced. I wonder what basis the hon. gentleman had for making such a statement. Is this his opinion or is it the opinion of our allies? I understand that under the program of reorganization which the minister has undertaken, the force for which his department is responsible, will no longer fit in with the requirements of NATO commanders. Maybe the minister is putting the cart before the horse. We are devising a force unlike any force in the world and then expecting NATO and allied commanders to use it. The first step should be to ascertain what the requirements of these various forces are likely to be and the best way in which our forces can fit into the general scheme as devised by NATO commanders.

I submit too that in attempting to insist upon Canada's idea that there should be a peace keeping force we are also putting the cart before the horse. It has been obvious for many years in the history of the United Nations that many of the great powers in that organization do not want a peace keeping force. The minister stated as much during his opening remarks in this debate. He said that certain factors, economic, political and so on, should be decided first. I agree, and if these factors were correctly dealt with there might be no need for a peace keeping force at all. I cannot for the life of me see why Canada should be so insistent upon putting a peace keeping force into areas where such a force is not wanted and not required.

The minister mentioned this himself when he was referring to the supervisory organization in Palestine. He said it was possible that the United Nations might have to build on that organization to supply a United Nations

presence in the Middle East as a result of recent developments. I would ask the minister this question. As a result of the recent developments in the Middle East, does he think that while we are here as members of this parliament any of the countries of the Middle East will ever ask Canada to participate in a peace keeping force in that area? I doubt it very much. It may be unjust to say that this is the result of statements made by some members of the present cabinet, but I doubt that the Arabs would ever ask Canada to participate in any peace keeping force.

What good is accomplished by sending such a force to that area? The minister tells us it kept the peace for ten years. I do not believe that. I think the Israelis and the Arabs kept the peace themselves. I find fault with the United Nations for failing to make some effort to solve the economic and political problems which existed in the region. The very fact that the refugees were there for so many years, neglected by the United Nations, is one of the factors which contributed to the recent outbreak. I believe Canada should put forward more effort in the debates at the United Nations in calling attention to the necessity of eliminating these problems rather than spending Canadian money on once more establishing a force which is not required and which to my mind was of very little use during the ten years in which it served in the Gaza Strip.

The minister said that the fault was not with the peace keeping force but with the failure to come to grips with the social, economic and political problems which made the peace keeping force necessary in the first place. He was referring to the withdrawal of the UNEF force from the Gaza strip. He went on to say it was typical of the efficiency of this force and of transport command that when the word came to leave the area the force was removed in a remarkably effective manner. I fail to see how the minister or any Canadian can take pride in what happened to our force at that time. I wonder, though, whether this is what the minister had in mind when in January of this year he told us that Canada will have her name indelibly etched as a world leader in military organization. Or is this what he meant when he made the statement that Canadians were now becoming leaders in defence organization, not just followers? Just what did he mean? In this respect the hon. gentleman said:

> In this regard I would like to emphasize the success, not failure, of our Canadian soldiers and airmen of our force in Gaza. To keep the peace in such an area for more than ten years was a remarkable achievement for the force which included more than 10,000 Canadian soldiers and airmen who served there since the inception of the operation. They should all be proud of their accomplishment.

I suggest that they actually did nothing during the ten years they were there. When the Arabs and the Israelis no longer wanted them there they told the Secretary General of the United Nations to take them out and they were taken out. How can one give the Canadian force credit for keeping the peace in the area in those circumstances? They certainly did not.

• (4:40 p.m.)

I think that again we are putting the cart before the horse. I think we should concentrate our efforts in the United Nations on an attempt to overcome the problems which we know exist. I believe Canadian funds are being wasted. The same thing is apparently happening in Cyprus.

I say to the minister that with the addition of the peace restoring role he is getting deeper and deeper into hot water than he has been. It is a more dangerous role. The fact that we have so few troops means that we cannot be an effective force in that regard in any event. During the debate in the defence committee I believe figures were presented concerning how many personnel would be needed to keep a force of 1,000 men in the field in such a role. The minister is aware that any time Canada has sent forces overseas she has relied on other nations to look after their supply.

If the minister says, as he said a few moments ago, that it is not the intention to concentrate on peace keeping, then why did he put all the emphasis on mobility and the ability to supply these forces when he talked to us in February, March and April of this year. At this time I should like to ask the minister to clarify, for me at least, what he meant by his statement in respect of peace keeping and to explain how he can reconcile it with what the chief of the general staff has said. Is the minister right or is the chief of the general staff right? I think Canadians are entitled to know this. I should like the minister to reply to this before I ask any further questions.

The Assistant Deputy Chairman: Shall vote 1 carry?

Mr. McIntosh: No, Mr. Chairman. I do not know what is the matter with the minister.

He has been given the opportunity to answer this question. I think the Canadian people have a right to an answer of some kind. I do not want to repeat what the chief of the general staff as said. He did say, however, that peace keeping is the goal of present government defence policy. Is he right and has he the authority to speak for the department? If not, he should shut up and I think the minister should tell him to. If the minister permits the chief of the general staff to make this kind of speech, then surely he should get up in the house and support what the general has said or deny it. I believe the minister owes the people of Canada an answer in this regard.

The Assistant Deputy Chairman: Shall vote 1 carry?

Mr. Churchill: No. We are being faced this afternoon with the typical reaction of the Minister of National Defence. For four years he has stubbornly refused to disclose facts and give information to members of the house. It is to be expected that we would be a trifle annoyed at this. We have had four long years under this stubborn and obstinate Minister of National Defence during which time he has concealed information from us, has sat silent and has refused to answer questions. He did not give a satisfactory answer this afternoon to the question with regard to equipment for our forces. He has not given an answer to the member who has just spoken. He has not answered the things which were said when we discussed the estimates on June 22. We have had silent treatment and evasive answers from the minister.

Some time ago I asked the minister about our naval commitments this summer with regard to NATO. He did not have the information then and he has not given it since. Is he prepared to give it now? What are our naval forces doing, if anything, with regard to NATO this summer? We get nothing from the minister except great statements about how wonderful his program is and that he is striking out on a new departure which will be an example to the world. These statements are not based on fact; they are not supported by evidence. I have just read a very interesting book by a member of the cabinet in England who resigned last year. I forget his exact position but I believe he was associated with the minister of national defence. This gentleman was here in 1965 at which time he looked into the matter of the rearrangement of Canada's defence forces. With the minister and his officials he examined the program of unification. In his book he sets out very clearly that he believes such a program would be unsuitable for the United Kingdom to follow. He says that it sounds fine to have a unified force with everybody in one uniform and everybody put together but that in actual fact it will not work. So he rejected it and the minister of national defence in England rejected it.

The other day I spoke to a member of the Australian parliament. I told him that during the course of a defence debate we had here our minister used as evidence the example of a civil servant in Australia who had written an article commending the project of unification. I asked him whether he knew anything about this. He said he had never heard of it before. Yet the minister paraded that in the house as evidence that other countries are keenly interested in what we are doing and are about to follow suit. All these years have gone by and no other country in the world has followed the course laid out by the minister. As I have said time and time again the people of this country have been confused and bemused by the minister's statements. The minister has no good evidence to give us.

Earlier this afternoon the minister was asked about the mobile force. He now tells us that it will take four to five years to get it in shape for action. Yet he has fed us propaganda to the effect that this mobile force would be ready on almost instant notice to go anywhere in the world and play a part. Now he says that it will take four to five years. All he could tell us this afternoon is that one battalion is ready for service on the request of the United Nations.

This is a very confusing picture indeed. The minister has been asked questions about the role at which Canada is aiming. We spoke about this at some length on June 22. No answer has been given. We heard again the statement made by the chief of the defence staff to the effect that this is the major role for Canada. He said that the transformation—that is the word which was used by the chief of the general staff when he appeared before the committee—set out in the white paper was to alter our role to one of peace keeping under United Nations auspices. The minister has made no reply to this. Obviously he agrees with the chief of the general staff. Perhaps he told him to make the statement as a roundabout way of attempting to influence the public.

The minister is now saddled with a failure in his much lauded cost efficiency or cost

accounting procedure. I recall many occasions when he accused our government of failing to estimate costs correctly. With great glee he used the example of the armoured personnel carrier. Now he has a hydrofoil on his hands. The cost of this project is about four times as great as it was estimated it would be and it is not finished. Yet this minister has told us that he has set up a system which is so superior that this type of error would not occur.

• (4:50 p.m.)

The minister criticized the hon. member for Calgary North about the difficulties he encountered in respect of the armoured personnel carrier. Now he has his own white elephant, the hydrofoil, and he does not know what to do with it. He has talked about efficiency and a new method of determining expenditures and costs, but what has he saddled us with at this time? He has created enormous expenditures amounting to millions of dollars but has given no satisfactory explanation as to the progress or effectiveness of this project. He has given no explanation why other countries appear to have had greater success with a similar type of vessel. He is afraid to cancel the program. Instead he carries it on, perhaps in order to load it on his successor after he leaves the Department of National Defence this year. At that time I suppose he hopes to be free of complaints.

The record of the minister over the last four years is one of colossal failure and the people of Canada are beginning to realize it. His unification of the forces has proved to be ineffective and unwise, and the people of Canada clearly realize now that the wiping out of the history and traditions of our fighting men was an unsatisfactory step.

During the last week the people have been able to observe our forces, particularly the army, in their special regimental uniforms, proudly displaying their esprit de corps. This is what the minister wants to destroy. I suppose that if we have other state ceremonies in a year or so our armed forces will all be in the same uniform and will look alike. I hope the people of Canada will not stand for that. I have been told that the military tattoo, which I have not had a chance to see, has been regarded in the various cities where it has been seen as a wonderful success.

Mr. Winch: It is a wonderful performance.

Mr. Churchill: The minister has spoiled at least part of it by amalgamating the bands and putting them all together rather than leaving them in their own formations. The minister put the sailors along the royal route to Uplands airport in spotted positions along the route where they stood solemn and alone in their white dress. He should have kept them together so they could be proudly displayed. This is the type of activity the minister has been undertaking.

My complaint, ever since we began to talk about this situation a few years ago, has been that the emphasis should be placed on military efficiency rather than just on managerial arrangements. It is in this regard the minister has made his greatest mistake. He is so concerned with the managerial approach that he overlooks everything else. He is a great follower of Mr. McNamara of the United States and has learned some of his lessons from him. I hope the minister is aware of some of the disputes taking place in that country in respect of standardization of aircraft in the armed forces.

There is a great distinction between the requirements of the navy and the air force in respect of aircraft. Different aircraft are needed because of weight requirements, particularly in regard to aircraft carrier functions. There is also a distinction in respect of weaponry. This minister wants to put everything together and wants to make everything the same. He has no comprehension of the requirements of our military forces. If our men are called upon to take some part in an action at the risk of their lives will they be efficiently trained and properly equipped? This is the sole purpose of the department of defence and the minister. Our people in the services must be efficiently trained and properly equipped.

We have asked the minister many questions but we receive no answers or answers which are evasive. We have been subjected to the silent treatment. The minister sits silent hoping that the time will run out. This has been a very unsatisfactory display this afternoon. I thought the minister would rise to this occasion to explain his thesis and defend his position. He has not done so. He has sat silent.

The hon. member for Calgary North asked the minister to give a breakdown of the money spent in support of our three services. The minister said it is difficult to give such a breakdown because of the amalgamation of the forces. He says the costs cannot be separated. This displays a most unsatisfactory and regrettable attitude. We are facing an early adjournment and we cannot continue to press

the minister for an accounting of his stewardship of our forces. I think this minister has done more damage to Canada's armed forces than any other minister. According to the book I mentioned earlier, he told a minister from the United Kingdom who visited Ottawa in 1965 that he was lopping off the head of the armed forces and tying up the arteries to stop the bleeding. The bleeding continues.

Mr. Diefenbaker: Mr. Chairman, I do not intend to follow in the vein of the remarks of the hon. and gallant member for Winnipeg South Centre, although I am very much in agreement with the views he has expressed since I came into the house about ten minutes ago. I do intend to bring before this committee and the country a matter of importance to human freedom and the preservation of the rights of the individual which should be and must be of concern to parliament.

Today the Prime Minister stated that the government would be convening a conference late this year or early in 1968 with a view to bringing about a constitutional amendment in respect of the Bill of Rights, which was so long condemned and ridiculed. I hope he will be successful. During my period of office we tried to bring about an acceptance by the provinces of a constitutional Bill of Rights with the idea that the rights and freedoms of Canadians would be the same in all parts of Canada, regardless of geographical address. It is my intention to bring before the committee a matter of freedom which deserves immediate action on the part of the government. It has to do with a teacher at the College Militaire Royal de Saint-Jean. This man, Mr. A. David Price, was a lecturer in the department of English of that school when he was removed.

• (5:00 p.m.)

I bring this matter to the attention of the house because I believe that a gross and grave injustice is being done to this man. The royal prerogative permits the crown, even today, to deny the individual the right to know the reasons why action is taken against him. Indeed, whenever the crown has decided that it is not in the public interest to reveal the reasons for its action, the courts have found themselves impelled to accept the archaic principle that the king or the queen can do no wrong. That principle, which over the years has been basic to the system of constitutional monarchy, is no longer applicable. In 1953 or 1954, I think it was, the high court of the United Kingdom decided that no individual could be deprived of his rights by the simple expedient of a declaration by a representative of the crown that it is not in the public interest to reveal the true facts.

Within the last ten days in the United Kingdom the question of the royal prerogative has again received attention. The court of appeal of the United Kingdom has come to the conclusion, one judge dissenting, that the old principle that used to be in effect, namely, that the individual vis-à-vis the crown must accept whatever decision is made with reference to him under the crown, when the crown takes the stand that it is not in the public interest to reveal the reasons for the alleged wrongdoing, is no longer valid.

I bring this matter to the attention of the house because for months there has been an endeavour by Mr. Price and the Professional Institute of Canada to find out what actually took place which brought about the end of the service of Mr. Price in the department of English at this military school. The argument advanced at one time was that he was not a Ph. D. and that there could be no promotion without the teacher holding a Ph. D. I have here a list of the promotions in this college during the last two or three years which indicates that this rule has not been honoured by acceptance in its entirety, or indeed at all. For several months there have been reports of unhappy conditions at the defence college which one would take to be, as it should be, a model for all Canada.

All of us remember the story of Archer-Shee. In the United Kingdom in 1911 Archer-Shee was fired from the naval college he was attending. The reason given was that he had been guilty of wrongdoing. The most able counsel in Britain at that time, Sir Edward Carson, undertook that case and fought it for several years against an almost impenetrable stand taken by the military authorities. Finally Archer-Shee was cleared. One of the first officers of the Old Contemptibles in the expeditionary force in 1914 to fall in France was Lieutenant Archer-Shee. I recall that case because it represents the epitome of an attitude that too often grips those who have power without that responsibility which should accompany power and should ameliorate wrongdoing or the suggestion of wrongdoing.

I say at once that I do not know Mr. Price except by reputation. That reputation has been given to me in numbers of letters from outstanding representatives of the professional institute. These people have said Mr. Price has a high reputation for integrity and

that his moral life is of the best. Yet what has happened to him? He is out. He is out because a certain person made charges against him and his reputation. Mr. Price was an instructor in English. The reason given for his dismissal is that one of the teachers, who is a tale-bearer, a West Indian, made allegations against this man of moral wrongdoing of the most ridiculous kind. I have here a statement containing those allegations. It is alleged that Mr. Price acted in a way that would render him a suspicious person, indeed of being a homosexual, because on one occasion he put his arm around the janitor and said, "Happy New Year to you."

That is the sole evidence of alleged wrongdoing. The man who made the allegation has been a troublemaker. The reputation of Mr. Price has been destroyed as a result of unfounded insinuations. No one claims to understand homosexuality, but I wonder whether anyone would make an advance in a public place, in a hall of a school, with other people there. Yet that is the sole evidence against this man. So serious a situation has been created that one teacher resigned in protest against the treatment of Price.

• (5:10 p.m.)

The Professional Institute of Canada has received a number of unsolicited letters from members of the staff supporting Price, his integrity and his moral purpose. Price does not ask to be cleared of wrongdoing without being given the opportunity of clearing himself. What he asks for is a public inquiry, and until the last 24 hours the Department of National Defence has not shown any willingness to grant him that. One of the major elements of justice is not only that justice shall be done but that it shall appear to have been done. This man is out. He raised a grievance, made a complaint and took his case to the deputy minister under section 90 of the Public Service Staff Relations Act. We were told that this piece of legislation passed in 1966-67 was one of the finest ever to be placed on the statute books to protect the rights of those in the public service of Canada. I quote the section because Price has been advised that he should proceed under it. It reads as follows:

(1) Where any employee feels himself to be aggrieved.

(a) by the interpretation or application in respect of him of (i) a provision of a statute, or of a regulation, by-law, direction or other instrument made or issued by the employer, dealing with terms and conditions of employment, or (ii) a provision of a collective agreement or an arbitral award; or

[Mr. Diefenbaker.]

(b) as a result of any occurrence or matter affecting his terms and conditions of employment, other than a provision described in subparagraph (i) or (ii) of paragraph (a), in respect of which no administrative procedure for redress is provided in or under an act of parliament, he is entitled, subject to subsection (2), to present the grievance at each of the levels, up to and including the final level, in the grievance process provided for by this act.

Price did so, but the deputy minister decided that what had happened to Price was not a grievance within the meaning of section 90. I believe that section 90 is wide enough to deal with such a case, but that was not the view of the deputy minister. He simply said "You do not have this right under the section, and that is the end of it".

That is not the end of it. The associate minister of defence said that Price can appeal. There is no provision for appeals under this act in respect of this matter, and I say that as one who has some knowledge of the law. The associate minister cannot hide behind that technicality. I may use stronger words later unless some action is taken in this regard. At present there is provision for a request for ajudication under section 91, but that deals with disciplinary action. What is required is not a simple examination of Price's case on the basis of an individual grievance but an inquiry into the administration where it can happen that a man's reputation which is equal to that of anyone in this house can be destroyed as a result of the scandalous machinations of a little fellow who has been a scandalmonger on at least one other occasion. Surely the time has not come when in the administration of the rights of the individual a man can be turfed out on the unsupported word of a colleague working with him in the same organization.

I now come to what I want to request with all the force at my command. Price is out. He is just like a wandering person with the blight of immorality on him. Let any hon. member consider how he would like to be ousted because somebody said there was something wrong with his moral character. I see the hon. member for Lotbinière is smiling. I take that to be agreement on his part that it would be a terrible thing if we in this House of Commons were to be ousted on the basis of some uncorroborated statement regarding our alleged moral misconduct. Such a thing would not happen in the case of the hon. gentleman, but as he has taken an interest in what I am saying I thought I might mention it. How would he like that kind of treatment? He would not accept it. As a good lawyer he would be the very first to object.

Mr. Choquette: I would be entitled to a pension.

Mr. Diefenbaker: The hon. gentleman always has an eye to the future, and pensions have an attraction. Price received no pension. He will not receive $18,666. He is out. He is stigmatized and condemned, and an aura of deserving the treatment which he received hangs over him.

The Professional Institute of Canada asked for information with regard to this case and the information that has been given has been as scanty as the reasons advanced for his removal. It is said that he was not removed but was just not rehired. The reason he was not rehired was the result of what this scandalmonger produced. The excuse given is that he did not have a Ph.D. and therefore there could be no advancement. Let me point out the fact that Mr. R. Lapierre, M.A., history, was promoted to assistant professor, as is reported in the commandant's annual report of 1962-63. Mr. G. Lapointe, M.A., French, was similarly promoted, as reported in the commandant's annual report of 1963-64, and so was Mr. J. P. Rivet, M.A., mathematics, as reported in the college calendars of 1961-62 and 1963-64. Mr. Y. Pigeon, M.A., French was promoted from assistant professor to associate professor, as reported in the college calendars of 1964-65 and 1965-66, and Mr. S. Stallard, M.A., mathematics, was also promoted from assistant professor to associate professor, as reported in the college calendars of 1961-62 and 1963-64. None of the above mentioned had a Ph.D. So the excuse that Price did not have a Ph.D. or was not on his way to getting it is unsatisfactory.

I mentioned that letters of protest from other members of the staff had been received by the government. I ask the minister to produce these letters from the staff condemning the arbitrary and unjust decision in this case. I will go further than that. I say, let us forget what has taken place and let us act. I ask that the government pass an order in council to provide for an inquiry under part II of the Inquiries Act.

• (5:20 p.m.)

I have had considerable correspondence of a personal and confidential nature, but I shall not refer to that. The letter from the minister reads:

> I find that Mr. A. David Price submitted a grievance on February 17, 1967, and that this was considered through the appropriate stages, finally being dismissed by the deputy minister on April 28 because "The charge made in Part II of the Public Service grievance form is not a grievance coming within Section 90 of the Public Service Staff Relations Act".

If it does not come within that section, and I am not going to argue that at all, then something else must be done. I continue reading from the letter:

> I understand that it is open to Mr. Price to take advantage of the appeal procedures under the Public Service Staff Relations Act and the regulations and rules of procedure made thereunder relating to the grievance process. Up to the present time, apparently, he has not elected to do so.

I have read the act and I find no provision for appeal in a case such as this. When we passed this bill, naturally we could not contemplate all the possible exigencies that would arise. This is no criticism of anyone. We all worked together to make this a good act. However, there is no appeal procedure of which this man could take advantage under the law as it now stands in respect of the matters I have set out.

The minister writes as follows:

> If Mr. Price elects to take advantage of the procedures open to him under the Public Service Staff Relations Act, and if the appeal board should rule that it does not have jurisdiction, or in the event that it dismisses the appeal and Mr. Price still feels that his case has not been adequately considered, I would be prepared to recommend to the governor in council the establishment of an inquiry under Part II of the Inquiries Act.

This letter of yesterday was the culmination of months of representations made by Mr. Price and others on his behalf. The matter came to my attention and I looked it over. Somewhere, somehow, there has been a slip and a man's reputation has suffered harm that will be irreparable unless he is cleared by the appropriate body. If he has been a wrongdoer, an inquiry will determine it. There is strong feeling amongst the staff members that this man has been given kangaroo court treatment, but if an inquiry is established justice will have been done.

I could go into a great many other facts but I am not going to do so. However, I should like to summarize the situation in this way: On January 23 he was presented by the head of the English department, Dr. Agop Hacikyan, with a curt note from the director of studies saying that his services were no longer required after May 31. No reason was given except privately by Dr. Hacikyan who said the man was not proceeding quickly enough on work for his doctorate.

This letter I have reads in part as follows:

> On January 26 at a meeting before the entire department of English with the director of studies in the chair, I required Dr. Benoit to answer if I had been charged with moral turpitude.

Dr. Benoit is the director of studies.

Each time he hesitated more and finally said, I must say no.

At the same meeting a charge of slander and character assassination was made by me and six members of the English department against one Felix Cherniavsky, a lecturer in the same department.

Incidentally, this man is out now. He has gone elsewhere. I believe he is in the western provinces. He had better not try any of his monkeyshines out there. Mr. Cherniavsky was accused of slander on three counts, none of which he would deny. He claimed that Price was an alcoholic, that he was a homosexual and that he was a moral danger to the cadets at the college.

Just imagine a person walking around with such serious allegations made against him at what was more or less a public gathering, a meeting of the staff. Furthermore, it was then reported that Price had been dismissed for these reasons and that Cherniavsky had supplied these alleged reasons to the head of the English department to pass on for action. As I have said, Cherniavsky is not now a member of the college staff.

Therefore, without further ado I ask the minister, in the name of justice, to remove this cloud which hangs over Mr. Price by providing immediately for an inquiry. Let the chips fall where they may. No Canadian deserves to be placed in a position where he is out of employment, especially in a profession like teaching where moral conduct is of the first importance, when the justification given after the event was that he was not a Ph.D. The letters I have show there is concern. The government has received quite a lot of correspondence about this matter. I am not going into it because I am simply going to request an inquiry.

You will not always do right when you are the government. You make your decision. Your deputy minister decides there is no basis for an appeal under section 90. If there is no basis for an appeal under section 90, then surely this is indeed a case in which the individual has a right to that basic element of British justice, namely, to no man will we delay the right to have a fair and full inquiry. You say he has not been convicted of any offence, and that is so. He is a man who goes about and people say, "I wonder". A department of government was his employer. We cannot ask others to do more than the government will do. I make this appeal to the minister. I am not going into other considerations. I simply say, do not crucify this man.

[Mr. Diefenbaker.]

Do not destroy his work and his reputation. There is no right of appeal under section 90, the deputy minister says. Give the man an inquiry; it will not take long. The evidence will be very simple and it will be a wonderful opportunity for somebody to cross-examine Mr. Cherniavsky, churn him up and get the facts.

• (5:30 p.m.)

[*Translation*]

Mr. Cadieux (Terrebonne): Mr. Chairman, the question brought up this afternoon by the Leader of the Opposition (Mr. Diefenbaker) was not unexpected, because we have been exchanging correspondence on this matter for the last three or four weeks.

The leader of the New Democratic Party (Mr. Douglas) also wrote me on this matter and I have communicated with him in what I believe to be a spirit of objectiveness, not being tied down by previous decisions within the service.

When the Leader of the Opposition speaks so eloquently of individual freedom, I am quite at ease in replying that I also believe in individual freedom, that I also believe that a civil servant must not be crushed by the civil service and that his rights must be respected. For that reason, facts and responsibilities must be ascertained. It is necessary not only to be just but also to appear just.

In the present case, I want to co-operate as far as I can in establishing the truth and ensuring that justice is done.

There is, first of all, the position of the department which explains the situation in a certain chronological order, as follows: In the present case, it is a matter of a term appointment of one year, and reference is made to section 21 which provides that a one year appointment is generally renewed for two years.

In the case of Mr. Price, that was done, and his appointment was not renewed after the two year period. That is the first and official explanation.

There is also the second aspect, with regard to the charges made by other professors, which would actually be considered as libellous. According to the legal interpretation given at a certain time in that connection, it was a personal matter coming under the jurisdiction of civil courts.

This however remains to be established: has the appointment of Mr. Price actually not been renewed for strictly academic reasons, as our officers claim? That is what must be

established. And I agree with the Leader of the Opposition (Mr. Diefenbaker), since I wrote to him saying that if Mr. Price was not satisfied with the decision on the appeal, I would agree to recommend to the governor in council that a special court of inquiry should be instituted to deal with the matter. Therefore, there is no conflict, and I undertake to follow up the suggestion of the Leader of the Opposition, which I had made anyway in the letter which he was kind enough to quote and which I sent him by messenger yesterday morning.

Therefore, I trust that the two of us will have helped to ensure the recognition of the rights of an individual, regardless of where he fits in society, and to have those rights respected and upheld by people who are not prejudiced and who do not hide behind the rules. There is a saying in English which I have never accepted: "They throw the book at you." I am not saying that we did that in this case, but since there are such serious doubts, it is surely in the interest of everybody, including the government, to throw some light on this matter. And the way to do this is to recommend to the governor in council to set up an inquiry into this matter. And I am very pleased to undertake to do that.

[*English*]

Mr. Diefenbaker: Mr. Chairman, I want to say to the minister at once that this matter came to my attention after having been dealt with previously. Four of the professors had communicated with the department. As soon as I started to deal with the minister he showed the attitude he now reveals, and I thank him on behalf not of Mr. Price but for doing justice. I look forward to the early appointment of this inquiry to the end that justice will be done.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, a matter has been brought to my attention very recently by a very well known Vancouver solicitor, and because it is necessary for us to go away now for some time and I will not be able to get information in any other way I wish to raise it with the minister today. It concerns two women, one of whom who is from West Vancouver and the other from Vancouver itself. One of them is the wife of a retired army major and the other the wife of a wing commander in the Royal Canadian Air Force. Both are separated from their husbands. They did not consult their solicitor professionally on this question, although both have a solicitor acting for them in connection with their personal problems, but they wanted some help in forming an organization to attempt to get support inside and outside parliament for changes in the law so that they and other wives in their position can attach the pay, allowances and pensions of their husbands for alimony purposes.

From what they say it is understood by the solicitor that the pay, allowances and pensions of members of the armed forces cannot be attached at present and that the Judge Advocate General's branch provides members of the forces with legal assistance in defeating the just claims of their wives and children. The comment of the solicitor is that it is hard to understand why in the year 1967 a man in the forces should be immune from ordinary civil process.

First of all, Mr. Chairman, I should like to know whether the legislation in this regard is such that women in this position are unable to make a claim on the pay, allowances and pensions of their husbands as presumably can other women separated from husbands who are not members of the forces. If that is the case, then is there any possibility of changing the legislation? If these women are separated from their husbands and have children, in fact, even if they do not have children, they are faced with problems of alimony and maintenance. At this stage what I want to find out from the minister is the exact position of these women under the law, before inquiring what they should do next.

[*Translation*]

Mr. Cadieux (Terrebonne): Mr. Chairman, I admit frankly that this is such a thorny question that I would rather consult with the legal advisers of the department and give an answer tonight at eight o'clock, if that is agreeable.

• (5:40 p.m.)

[*English*]

Mr. Winch: Mr. Chairman, could I ask a further question of the minister on a point which has interested me for the last two months? I understand that the minister's policy is that the Canadian forces shall be mobile and we know from answers he has given in the house, in committee of supply and before the defence committee that he is satisfied with the progress being made in the implementation of this policy and with the equipment that is being obtained. If we can meet an emergency call to supply a brigade or battalion to NATO or to the United Nations—and I hope that such a call will not come—I am puzzled as to why, in moving

militia personnel and cadets across Canada to their training grounds, it is necessary to charter aircraft from Air Canada for such movements. That has been done in the past and is to be done this year.

The minister will see what I am driving at. If we have the equipment to meet demands to move our regular forces quickly, why should it be necessary to charter commercial carriers to transport militia personnel and cadets to training camps, particularly to Camp Gagetown?

For the first time we are sending some 300 militia personnel to Germany. They are to take part in military training in the field. Are these men to be flown overseas by our air force or are they to be taken by commercial carriers which have been chartered for the purpose?

Perhaps I might be given an honest answer to another question. Possibly I should not have said that inasmuch as I know that any answer from a minister supposedly is honest. I still wish to know what the actual strength of our brigade in Germany is. What is the actual number of personnel serving with it? Only by answering that question will the minister dispel the impression that the 300 militia reservists are being sent to Germany to bolster the number of those on strength in the brigade in order to meet our commitment.

I hope the minister will also explain why, if we can airlift combat forces overseas, it is necessary to charter commercial carriers to transport militia personnel and reservists inside Canada. The United Kingdom sends either a regiment or a battalion to the Camp Gagetown manoeuvres, but why are we sending men to Germany? Is this a new policy?

Mr. Hellyer: On the first point, Mr. Chairman, we have a considerable airlift capability. It is not yet as great as I should like to see it and it is the intention of the government to augment it in the years ahead, as was indicated in the white paper and in subsequent statements before the house.

We move a tremendous number of people each year and much equipment. To keep the forces at maximum potential they are exercised regularly in the movement of personnel and equipment. That is the best possible training for any real emergency. Our peak load period is in the summer and we fly across the ocean large numbers of servicemen and their dependants on rotation. We try to do as much as possible of this in the summer to meet the need of dependants to move between school years. Our requirement for airlift capability is much larger during the two summer months than at any other time of the year and each year we have had to augment that capability by hiring commercial carriers to move cadets and, in some instances, militia men. Mostly cadets have been moved by such commercial carriers. That is because larger numbers of people are moved in the summer than at other times of the year and our total capabilities are strained.

In respect of those who are being taken overseas, I should like to give the hon. member a definitive answer. From my experience they are taken by the regular R.C.A.F. overseas flights. Our men go over there for precisely the same reason, in reverse, that the British send troops to Canada. It is to exercise them in a different environment and to increase their total military training. We are taking advantage of this excellent opportunity this year to a greater extent than in previous years. Selected individuals are to be taken to exercise with the regular forces in Germany during manoeuvres. This is first class training for the individuals selected and gives a real incentive to militia units to have in their ranks and at appropriate levels of training individuals who can be so employed. We think that as a result of this we shall obtain a better utilization of the reserve forces as potential reinforcements in case of emergency. That is why we are doing it.

Keeping the brigade in Europe at full strength is a high priority, but that is not the reason for moving the men over there. It is true that some of the jobs that the reservists do over there are marginal and might otherwise have to be done by men who would need to be sent over to do them. Primarily, the reservists are sent over so they can participate in an environment which would otherwise not be available to them.

Mr. Winch: I understand that the men have a tremendous opportunity for training. I ask the minister whether the 300 men are being sent to Germany to bring our brigade over there up to full strength. Would the brigade be below strength without them?

Mr. Hellyer: The brigade is close to full strength, though it probably is not at 100 per cent full strength. It is slightly less than that, which is normal.

Mr. Winch: Will the 300 militia men bring it up to strength?

Mr. Hellyer: Perhaps it would be better if I obtained the figures.

Mr. Winch: I wish to know whether the 300 militia men who are going to Germany will bring the brigade up to full strength. I understand that that is why the men are going over.

Mr. Hellyer: The 300 men are not going over for that purpose. They are going for a short period which is to be devoted primarily to training.

Mr. Lambert: Mr. Chairman, if I may return to the matter of information about details of the capital equipment of the forces, the minister gave us a breakdown of three major items under vote 15 as they appear on page 318. I asked on June 22 as well as today for a breakdown of those items appearing on page 319 as they relate to capital items under the various commands. It is all very well to say that we are to have so many ships, tanks and aircraft, the kinds of aircraft they are to be, and so on and so forth, but how are these being allocated in the commands? So far there has been a great silence in this regard. I should like to see a breakdown in reasonable detail of the capital expenditures as they appear on page 319.

• (5:50 p.m.)

In his earlier replies this afternoon the minister gave the figures with regard to recruitment. I wonder whether, particularly with regard to the men, any of these figures include re-engagement. Is recruiting deemed to include re-engagement?

There is a third point I should like to draw to the minister's attention. I refer him to a series of questions which appears in *Hansard* at page 1826. I asked for an explanation of what is happening with respect to subclauses 3 and 4 of clause 6 of Bill C-243. Although the act has not yet been proclaimed, I want to know whether the six months notice is now being generally applied throughout the services in respect of every man who wishes to retire ahead of time.

I wonder also whether the minister is in a position to tell us the conditions of retirement under clause 6 (3) when the act is proclaimed. The hon. minister will remember that when the bill was being studied by the committee he undertook that any regulations of general application under the act would be referred back to the defence committee for determination, particularly as they concerned the implications of a single service.

Mr. Hellyer: To answer the last question first, the regulations at the present time with respect to retirement are precisely as they were when I outlined them during the unification debate. There has been no change since then.

There is one additional breakdown I can give the hon. member, the one requested by the hon. member for Winnipeg South Centre. It is as follows: Armoured fighting vehicles, armoured personnel carriers, the M-113A1 command post carrier, M-557A1, and the cargo carrier M-548A1, $4 million. Command and reconnaisance armoured vehicles, $5 million. Howitzers, medium, self-propelled, 115mm, M109, $500,000. General purpose armoured vehicles, $5 million. Total, $14,500,000, an increase of $1,342,000 over the estimates of the previous year.

Mr. Winch: I have tried not to be absent from the house both today and on June 22 when I believe these estimates first came up for consideration. I hope I have not missed anything, but in case I have there is one question to which I would appreciate a definitive answer today, even if it is repetitive.

The minister and the associate minister will remember that in all the long discussions we had in the defence committee on the unification bill there was one phase of the program which caused much concern. This concern arose from the necessity of making regulations and passing orders in council consequent upon the unification measure, and the minister told us it would take a few months to draw up the regulations and the orders in council which were required. As I understood the situation, the minister undertook that once the required regulations and orders in council had been completed they would be submitted to the defence committee. I should like to know whether they will be submitted to the committee prior to proclamation when the house reconvenes after the recess or whether they will be submitted to the committee only after they have become *faits accompli*. I think it would be most interesting to members of the committee if they could be told what is in the mind of the minister relative to these regulations and in particular to the orders in council required under the unification act.

Mr. Hellyer: The undertaking was to refer them to the committee after they had been promulgated. This was made clear by the hon. member for Edmonton West.

Mr. Winch: The minister's answer leads to my next question. May we take it for granted then, since we shall be dealing with these matters as *faits accompli*, that if the defence committee feels changes should be made their recommendations will receive the careful and, I hope, the favourable consideration of the minister? Otherwise, why produce them?

Mr. Hellyer: They will certainly receive careful and sympathetic consideration. This is what the hon. gentleman would expect.

There is another summary I could give of the types of equipment by commands, but perhaps that could wait until eight o'clock in view of the fact that it is now so close to six. Would it be possible to pass item 1, Mr. Chairman?

Mr. McIntosh: Not yet. I asked the minister whether he would confirm or deny the statement made in public by the chief of the general staff that the present defence policy of the government has a mobile peace force as its goal. Will he confirm or deny that statement? To my mind it is in conflict with what the minister told us in his policy statement of June 22.

I should also like to ask the minister whether there is any foundation for the statement which appeared in the papers not long ago that the Department of National Defence intended to acquire land in the Bahamas or the West Indies either by purchase or by leasing for the training of Canadian troops. If so, would the minister table the names of those with whom he has been negotiating in connection with this project? The minister looks at me with some amazement, but I have seen two articles in the press indicating that this is a possibility. I understand an approach has been made by certain people in the Bahamas and I ask him to confirm or deny this rumour.

Mr. Hellyer: On more than one occasion the chief of the defence staff has sent me copies of the speeches he has made and the impression given by this speech is quite different from that conveyed in the newspapers and quite different from that received by the hon. member, it would appear, in the instance he mentioned this afternoon. It is always a problem in reporting to put into balance various points which are made in a speech, and I have no doubt that the hon. member has experienced this difficulty.

• (6:00 p.m.)

The chief of the defence staff in his speeches sets out the same general policy and the same general procedures that are set out in the white paper and which have been reiterated by the government from time to time. At no time have I found anything inconsistent between what he has said and the government policy. I must admit that the emphasis which has been placed on some of his speeches in the newspapers tends to give a different slant to the policy.

Mr. McIntosh: They quote his statements.

Mr. Hellyer: Yes, but they quote them out of context or do not quote sufficient of his remarks so that they are in proper context with exactly what he has said. So I say that in his speeches he reflects the policy of the government which still is, as set out in the white paper, to maintain forces for the support of our alliances, for the defence of Canada, for United Nations peace keeping activities as required and in accordance with the general priorities which are set out in the white paper. Therefore there really is no inconsistency whatsoever, except perhaps in respect of the weight or emphasis which some newspapers have placed on other aspects of it.

So far as the second question is concerned, to the best of my knowledge we have neither purchased nor leased any land in the West Indies. We did carry out exercises there last winter on land which is owned, I believe, by the United States government. There is no plan of which I know to lease land. There is, however, great interest in the West Indies with the idea that the relations of the Canadian armed forces with those countries will not only continue but also be built up and perhaps increased in the years ahead. This is a matter for study as we try to augment the capability of our forces to respond to any situations which may arise in the years ahead.

The Chairman: Shall vote 1 carry?

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, the associate minister promised that at eight o'clock tonight he would have the reply to my question. I should not like this vote to carry before I receive the reply.

Mr. Hellyer: Mr. Chairman, it would not jeopardize the answer if the hon. lady would agree that the associate minister give the answer during consideration of the remainder of the items.

Mrs. MacInnis (Vancouver-Kingsway): There may be other questions which hon members might wish to ask arising out of the answer.

Mr. Starr: Mr. Chairman, I realize that by unanimous consent the house has agreed to forgo private members' hour today and tomorrow. I understand, however, that there is urgency in respect of two private bills to incorporate mutual insurance companies which have been approved by the Senate. They are orders Nos. 4 and 5 on page 22 of the order paper and I understand there is unanimous consent to allow them to pass today. I would ask, therefore, that we proceed now to deal with these two private bills.

The Chairman: The hon. member is requesting that I rise, report progress, and request leave to sit again later this day?

Mr. Starr: Yes.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Winnipeg North (Mr. Orlikow), Criminal Code—proposed amendment respecting representation by counsel; the hon. member for Vancouver-Kingsway (Mrs. MacInnis), The Canadian economy—sugar—increase in price; the hon. member for Broadview (Mr. Gilbert), Housing—suggested change in formula to determine mortgage rates.

Yesterday an order of the house was passed to the effect that the hour for the consideration of private members' business today would be suspended. I understand there has been some agreement in the house in respect of the request of the hon. member for Ontario that by unanimous consent we now proceed with consideration of the two bills the hon. member has mentioned. I should like to remind hon. members of the context of standing order 102. However, there is no objection on the part of the Chair if there is unanimous consent that we proceed. Is there unanimous consent that the house proceed with the consideration of these two bills?

Some hon. Members: Agreed.

Mr. Patterson: Mr. Speaker, I do not intend to raise any objection to the procedure which has been suggested. I understand, however, that Your Honour has referred to an agreement which has been arrived at. I should like to say that so far as I am aware no contact has been made with our group in this connection.

Mr. Starr: I understood from the sponsors of the bills that they had spoken to representatives of all parties. If that is not the case, then I apologize. It is an oversight.

Mr. Deputy Speaker: Is it the intention of the house to proceed with private members' business for the purpose of considering Bills S-12 and S-13 which appear as items Nos. 4 and 5 on today's order paper?

Some hon. Members: Agreed.

PRIVATE BILLS

WESTERN FARMERS MUTUAL INSURANCE COMPANY

Mr. W. B. Nesbitt (Oxford) moved the second reading of Bill No. S-12, to incorporate Western Farmers Mutual Insurance Company.

Mr. Deputy Speaker: Is it the understanding of the Chair that we should deal with both bills at the same time?

Some hon. Members: Agreed.

FARMERS CENTRAL MUTUAL INSURANCE COMPANY

Mr. John Loney (Bruce) moved the second reading of Bill No. S-13, to incorporate Farmers Central Mutual Insurance Company.

Mr. Winch: Mr. Speaker, this is a procedure which is new to me. Is it all right to deal with two bills at the same time in committee?

Mr. Deputy Speaker: I may say to the hon. member for Vancouver East that there is a procedure provided for this purpose, although it is not used very often. There is nothing irregular in the procedure.

Motions agreed to, bills read the second time, considered in committee, reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

The Chairman: The committee will now resume the business interrupted at six o'clock.

Supply—National Defence

DEPARTMENT OF NATIONAL DEFENCE

1. Departmental Administration, including grants to military associations, Institutes and other organizations as detailed in the estimates and authority, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the Treasury Board, for total commitments of $2,850,056,375 for the purposes of Votes 1, 15, 20, 25, 30, 35 and 45 of this department regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,221,323,000 will come due for payment in future years) and authority to make recoverable advances under any of the said votes and, notwithstanding the Financial Administration Act, to spend revenue received during the year, subject to the direction of the Treasury Board, in respect of assistance rendered to the United Nations, any part of the North Atlantic Treaty Organization, any member of the British Commonwealth or any provincial or municipal government and in respect of charges made pursuant to regulations under the National Defence Act for:

(a) clothing and kit items sold to members of the Canadian forces;

(b) living accommodation;

(c) food supplied to members of the Canadian Forces and to messes and institutes catering thereto; and

(d) medical and dental care provided to dependants of members of the Canadian Forces, $6,593,375.

The Chairman: Pursuant to an order of the house passed yesterday I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Assistant Deputy Chairman: Order. House again in committee of supply, estimates of the Department of National Defence, Vote No. 1.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, will the minister reply to my question now?

Mr. Cadieux (Terrebonne): Mr. Chairman, just before the supper adjournment the hon. member for Vancouver-Kingsway raised a question regarding the attachment of pay, allowances and pensions for alimony purposes. According to the Queen's Regulations and Orders, article 207.02(2):

When there is in effect an order or decree enforceable under the laws of Canada or any province thereof requiring payment to be made by an officer or man in respect of the support, care or maintenance of his wife or former wife or any legitimate or illegitimate child, the commanding officer may order a monthly compulsory allotment of pay as prescribed in (3) of this article.

[The Chairman.]

Section (3) of this article states:

The compulsory pay allotment shall consist of such portion of the pay of the officer or man, not exceeding the amount of the order or decree, as the commanding officer from time to time thinks fit, but no such compulsory pay allotment shall, in any month, exceed an amount equal to ten days pay of the officer or man.

So an active service officer or man can be required to support his dependants. Further this article states in section (9):

When there is no order or decree in effect but it has been represented to the Chief of the Defence Staff that an officer or man has deserted or is otherwise without reasonable cause failing to maintain his wife or any child under the age of 16, the Chief of the Defence Staff may order deductions to be made from the pay of the officer or man in the manner and subject to the limits prescribed in (2) and (3) of this article.

With respect to those officers on pension, the hon. lady will find in section 14, appendix 22, of the Canadian Forces Superannuation Act—and I am quoting subsection (2)—the following:

Where any court in Canada of competent jurisdiction has made an order requiring a recipient to pay an amount to his spouse, former spouse, child or other dependant and the court has issued to the minister a notice, in the form prescribed by the regulations, requesting on behalf of the recipient that there be paid to the person named in the order an amount specified in the notice, the amount so specified or any lesser amount specified by the minister shall, if the minister so directs, be deducted either in a lump sum or in instalments from any amount that is or is about to become payable to the recipient under this act, and shall be paid to the person named in the order.

Therefore, Mr. Chairman, it appears that in both these cases, if a court order is obtained it would be applied within the regulations and orders of the Canadian Armed Forces. In the case of diversion of pension under the Canadian Forces Superannuation Act, it is the current policy not to divert more than 50 per cent. Under the Defence Services Pension Continuation Act a court order is not necessary. The matter is investigated by the Department of Veterans Affairs and the minister acts on their recommendation.

Finally I should like to deal with the question that the Judge Advocate General's department provides legal help for the Canadian Armed Forces. I am informed by the Judge Advocate General that the Judge Advocate General simply informs the serviceman of the legal implications of any order but does not appear in court on the serviceman's behalf. If I may be permitted to create a pun, the legal officers of the Judge Advocate General's department advise the serviceman to get a lawyer. I think this answer should satisfy the concern expressed by the hon. lady.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I wish to thank the minister for his very careful and comprehensive reply. It would appear to me that the lawyers and ladies in question were unaware of the possibilities open to them. I shall lose no opportunity to convey to them what the minister has said, because it would be a misfortune if an organization were formed by these women to get something if they are able to get it by applying under the act. Unless there are circumstances of which I do not know, it should certainly be possible for them to obtain the redress they are seeking. I thank the associate minister for his reply.

Mr. Cadieux (Terrebonne): If I may say so in respect of these people, it is both unfortunate and unnecessary.

Mr. Winch: Mr. Chairman, may I ask a follow-up question to that asked by the hon. member for Vancouver-Kingsway. I admit that in 14 years I have had only two such cases, but I should like to ask the associate minister a question in this respect. I ask the question because the associate minister has said that the authority of the commanding officer is governed by the word "may" and the authority of N.H.Q. also includes the word "may". I took particular note of this. The commanding officer or N.H.Q. "may" order such a deduction.

• (8:10 p.m.)

Upon occasion, and particularly the two I have in mind, the payment of alimony was not a legal requirement, and yet the officer or O.R. still has to bear the responsibility. I understand the decision of the department is to apply the permissive policy to everyone from the commanding officer to the N.H.Q. I should therefore like to ask as to the position or the policy of the department with regard to this?

Mr. Cadieux (Terrebonne): From my experience the word "may" is more than permissive because every time I have come across a case like that, alimony is deducted.

Mr. Winch: So the minister's opinion is that although the word "may" is used all the way through the regulations, it really means "shall". Is that his experience?

Mr. Cadieux (Terrebonne): That is my understanding, in practical terms.

Mr. Davis: I should like to ask the minister a few questions having to do with the disposal of property owned by the Department of National Defence on the west coast. However, first I would like to compliment him, in view of the criticism which he has received today from the other side of the house, on the businesslike way in which he has been running his department. Over the last five years our national income has risen from roughly $40 billion to $60 billion. In other words it has gone up 50 per cent. We have seen expenditures on many fronts go up by comparable amounts. On the other hand, the expenditures of the Department of National Defence have been kept constant. Five years ago they were $1.7 billion a year, that is for the year 1963-64, and this year 1967-68, they are estimated to be the same amount, that is $1.7 billion.

Mr. Churchill: But what is the size of our forces?

Mr. Davis: In other words, our outlay on defence as a percentage of the national income has gone down from more than 4 per cent in 1963 to about 3 per cent in 1967. Considerable evidence meanwhile has been presented both in the house and in the committees of the house, that the effectiveness of our armed forces has been substantially increased. So I would say that for the same number of dollars—dollars with a declining purchasing value—to get a greater value in terms of defence in this country is no mean accomplishment.

I would like to deal more specifically with property owned by the Department of National Defence and then say a word about the disposal of lands which have been acquired by the department over the years. I understand that under the present minister a new policy was instituted. It was instituted a few years ago and it gave a real incentive to the members of the armed forces with authority over supply to get rid of surplus supplies, to sell off land that the Department of National Defence no longer required, and to dispose of inventories, out-dated materiel, ammunition, equipment, etc.

The policy was that the Department of National Defence would itself receive and keep the funds which resulted from selling off these surplus properties. In other words, the officers responsible for the administration and disposal of surplus materials, land and so on, could count on having this money put back into the coffers of the defence department and not paid over to the Receiver General of Canada.

This was a revolutionary idea because prior to that time there was no real incentive for the defence department, particularly for

those in the armed forces, to dispose of land, equipment etc., they merely accumulated and maintained them, guarded them and watched them deteriorate. In the last few years we have seen the disposal of a substantial amount of property which was deteriorating, and which otherwise would have deteriorated to no value whatsoever.

In my own particular riding there was a large ordnance depot. I would put its present value at around $3 million. It was built in 1944 for naval stores and it continued to be filled with the same naval stores as were put into it in 1945. When the present minister took over in 1963 it was like a naval museum with guards but no one was allowed to see it. This materiel it contained was promptly disposed of under the new policy. It was turned over to the Crown Assets Disposal Corporation, and subsequently sold to the National Harbours Board. This property, on the waterfront in Vancouver, is now earning an income of the order of $300,000 a year. So instead of being a liability, it is a source of revenue to the people of Canada. This is the kind of policy, the kind of businesslike thinking and the kind of management which we need not only in our private affairs but also in the affairs of the government.

There are one or two other properties in my riding which I would like to see disposed of, one of them being a rifle range. It is located on 500 acres which used to be a long way out in the bush. Subsequently a $20 million bridge was built across the Vancouver harbour, almost to the doorstep of this property. These 500 acres suddenly became extremely valuable.

Mr. Winch: Is the hon. member referring to the Blair rifle range?

Mr. Davis: Yes, the Blair rifle range in north Vancouver. Residential properties of considerable value are building up around this range. Roughly a third of the Blair range land has been cleared. Occasionally the clearing is used as a rifle range, but the rest is still covered with trees. I urge that the Department of National Defence turn all of this property over to the Crown Assets Disposal Corporation, in effect sell it to the highest bidder, and with part of the proceeds buy other land farther away and develop a comparable rifle range, if one is required.

I have corresponded with the defence department concerning this matter. I was told it is prepared to consider this proposal and that shortly it will be sending out one of its appraisers to look at this land with a view to selling it for residential purposes. The district of north Vancouver has already zoned this property. It is an ideal property for residential construction. My own estimate of the value of these 500 acres is $3,000 an acre, so that it should be worth at least $1 million. The national defence department would have at least $1 million in hand with which, I am sure, they could buy several other rifle ranges. Let us hope they can get one other rifle range with a fraction of that money, put the rest back in the kitty—thus reducing the sum total of new taxation required to pay our defence bill.

I should like to speak now about another property which is a classic case. It is on Jericho beach in the Vancouver area occupied by the Department of National Defence. Jericho Beach is on the north side of Point Grey and forms part of the outer harbour in Vancouver. It is one of the finest recreational areas in Canada, located near an area referred to as Spanish Banks, where early Spanish explorers first dropped anchor. They dropped anchor there because it was an ideal location. There are miles and miles of sandy beach there. When the tide goes out, the beach runs out half a mile. It looks across at the coast range, which is snow capped, and into the downtown area of Vancouver. It is a beautiful spot. Yet, right in the centre of that long beach there is a defence base. The defence base is located there because originally it was a seaplane base. During world war II the Department of National Defence bought out a handsome golf course and several expensive homes in that area. They bought approximately 154 acres. Ever since the beginning of world war II there has been a defence base bisecting the beach there, requiring everyone travelling along Marine drive in Vancouver to circumvent this area of 154 acres. What is there now? The golf course went to rack and ruin. Gigantic hangars were built in the early 1940's and paint is now peeling off them. There are only a few hundred men in uniform there now. According to a recent editorial in one of the Vancouver papers, the area is now being used as a supply depot by the construction engineers detachment, transportation section, supply section, and maintenance subsection. Basically this is a supply depot for the army base at Chilliwack which is approximately 100 miles away.

• (8:20 p.m.)

This waterfront land is extremely valuable. It is land which politician after politician,

elected member after elected member from the Vancouver area has said should properly revert to the people of Vancouver to be developed for recreational purposes. The Department of National Defence or some other department of the Canadian government can keep part of the property, the highlands. However, a wide strip along the waterfront should be turned over to the city of Vancouver. I suggest that after these many years all of the waterfront area should be turned over to the city of Vancouver at no cost.

What does the city of Vancouver do in return? I suggest that the city of Vancouver might well rezone the remaining acreage, the highland, for multiple housing, for apartments, essentially high density residential purposes. What happened during the previous administration? Hon. Howard Green was the member for that area and he promised many times to have it turned over to the city. Instead of that the highlands were built upon by the Department of National Defence. We have now a number of small brick boxes, homes obviously designed for eastern winters, placed on land which would otherwise have been available for homes of many times their value.

This area should certainly be developed for high density residential purposes. I know there have been discussions from time to time between the city fathers in Vancouver and members of parliament, between the mayors of Vancouver and successive ministers of national defence. I know that the present minister has had a study carried out in respect of the land values. I hope he will give sympathetic consideration to the division of this land so that all of the waterfront between the sea and a new rerouted marine drive will give the city of Vancouver an area to be developed for recreational purposes. The rest of the land, given an agreement from the city, would then be rezoned and developed for other purposes.

I know the people of Vancouver would be overjoyed if this were to happen. I know every second person visiting Vancouver, perhaps every person visiting Vancouver during the summer months, would drive along a marine drive which was not cut up by an ugly property owned by the Department of National Defence. The buildings are run down and a substantial acreage has simply gone to seed.

I might mention that the waterfront itself is unused at the moment, except by some 20 officers who have pleasure boats there. Close by the Royal Vancouver Yacht Club, with literally hundreds of members, exists on a fraction of the waterfront area owned by the Department of National Defence.

I suggest to the minister that if he would apply his policy of selling off surplus property, of selling off the upland property, he will recover far more than the original investment of a paltry $325,000. Perhaps he will recover several millions of dollars. In the meantime the people of Vancouver, and indirectly the people of Canada, will get a recreational area four or five miles long on what is probably the most glorious waterfront in all of Canada.

Mr. Winch: I can assure you, Mr. Chairman, that we, the members of parliament from Vancouver proper, appreciate the great interest and the remarks of our colleague from North Vancouver. May I, in making a very brief comment, draw the attention of the Minister of National Defence and the associate minister to the fact that when they consider what shall be done with Blair range they base their considerations not on disposal but on the fact this is a rifle range? I speak as a result of being a training officer for some four years for the Irish Fusiliers, second battalion, Vancouver regiment. This is not just a rifle range. It was a range for submachine guns, light machine guns and three-inch mortars. If you are considering getting rid of the Blair range, and perhaps you should, keep in mind the reserve militia regiments of Vancouver, North Vancouver, New Westminster, Burnaby and Fraser valley. They all require training facilities. I plead with the minister through you, Mr. Chairman, not to sell it for a million dollars; it is worth a lot more than that. Do not sell it until proper arrangements have been made for training facilities right from rifles through submachine guns to light machine guns and three-inch mortars. There is no purpose served by trying to train a person in an armoury in the use of these weapons. You must have an actual firing range in the immediate area.

Now, that is all I am going to say about the Blair range. I want to thank the hon. member for what he had to say. I am sure every member from Vancouver supports him in respect of the Jericho area which, in one area alone, is owned by the Department of National Defence. I just want to add this, sir, because it is my home. There is only one block which prevents a complete beach area from Spanish Banks to Jericho, around Kitsilano, around False Creek, English Bay, First, Second and Third Beaches, around

Stanley Park until you hit Coal Harbour entrance. This is a most fantastic area with only one block, the Jericho Beach area, preventing a complete waterfront drive. As pointed out by the hon. member for Coast-Capilano, every citizen of Vancouver, the city council and the parks board are asking for some arrangement whereby we might have a complete marine drive from Spanish Banks. We need this beach area, this promenade area, for Vancouver. According to the latest figures from the Dominion Bureau of Statistics it will not be long before the population of metropolitan Vancouver will reach one million.

The history of the United States indicates that they did not save beach or park areas and it has cost them millions to reclaim them. We are not asking, as the hon. member said, for something for nothing. We in Vancouver do not want that area for nothing. All we want is a 99 year lease at $1 a year. We are prepared to pay for it. I will pay for the 99 year lease myself at $1 a year if the department will agree to it. There is a little difference between the hon. member for Coast-Capilano and me. He said that the department could make millions out of the beach area at Jericho for high rise buildings. I plead with the minister not to have a high rise development because we need a park area. This land is at the foot of our university area, between the university and the residential area of Kitsilano. It should be a beach and park area.

I know there have been negotiations with the associate minister in respect of this matter. Although there may be a little differentiation as to details, in view of the inquiry tonight by the hon. member for Coast-Capilano, supported by all hon. members from Vancouver, before this vote is put through can the associate minister tell the committee what consideration is being given to the request that this beach area should be leased for 99 years at $1 per annum to complete the entire marine drive around that beautiful paradise of British Columbia, Vancouver?

• (8:30 p.m.)

Mr. Hellyer: Mr. Chairman, the associate minister has suggested that I reply because I was here the other day when a consultant whom we had engaged to look at the North Jericho area was in Ottawa and reported to us.

I appreciate the remarks of the hon. member for Coast-Capilano and also what was said by the hon. member for Vancouver East, and they will of course be taken into consideration. I am sure that these hon. gentlemen will be pleased to know that some months ago we did engage a consultant to draw up a plan for the redevelopment of the entire North Jericho area. He has recently reported to us his suggestions how this might best be carried out.

A couple of days ago I wrote the mayor and said that I would be pleased to meet with the mayor and his council, perhaps in Vancouver later this summer, in order to discuss with them the report that we have received and to engage in negotiations as to how we implement the report, or something along those lines.

I should like to see this project go forward because I think it could be an outstanding redevelopment project. I should like to save the city of Vancouver the dollar and the legal fees for the beach area by offering some more realistic plan which would make available to them the area most needed for parkland in exchange for rezoning some of the other surplus lands which we could then dispose of. This would reimburse us for the loss which would accrue in the disposition of the property. I can assure the hon. members that if the city of Vancouver is as reasonable as the department of defence is prepared to be, we should be able to reach agreement on this project and to trigger what should become an outstanding and really wonderful development of the North Jericho area.

Mr. Bell (Carleton): Two very brief comments, Mr. Chairman. The first relates to national defence headquarters. I submit to the minister that he ought to use all the influence which he has with the Minister of Public Works in order to commence the development of national defence headquarters as soon as possible. We have lost a great deal by having delayed as long as we have. I blame not the present government any more than any previous administration, but the time to get out of the old buildings in Cartier square has long since passed. The development of the new national defence headquarters should take place as quickly as possible. Every day that goes by is going to cost a great deal of additional money to the people of Canada, and we should proceed with the greatest possible expedition.

The second matter about which I want to comment is the thrill that so many people experienced on seeing the display yesterday on parliament hill. It was a wonderful show, with Her Majesty the Queen and all the colour of the uniforms there. This indicates to us that within our human hearts there is

something that has an appeal that is not going to be satisfied by a simple green uniform.

I want to put to the hon. gentleman, the Minister of National Defence, tonight, that he should not abandon all the traditions of the individual units. I speak for example of the P.L.D.G.'s, the Princess Louise Dragoon Guards, which had such a great reputation in this community that you and I represent, Mr. Chairman. I hope that some of this tradition which we saw yesterday on parliament hill will be retained because if it is not retained we will not have the type of nation during the next 100 years which all of us so much desire.

Mr. Hellyer: Mr. Chairman, I think I should reply at once to those two suggestions, and I should like to deal with the second one first. Both the associate minister and myself have said on numerous occasions, to the point where it should now be clear to anyone willing to listen or believe, that we have no intention of doing away with the regimental dress uniforms. It is planned to keep them. Indeed this has been in the plan from the time that the idea of a unified force was first conceived.

Mr. Churchill: No—you have changed your mind.

Mr. Hellyer: It has not been changed at any time and I can show the hon. gentleman the record on that.

Mr. McIntosh: May I ask the minister a question?

Mr. Hellyer: Yes, you may.

Mr. McIntosh: Time and time again the minister has made that same statement in the house, with the exception that in his original statement to the house he said that there would be no change until such time as unification takes place. The word he used was "until". What does he mean by that? He said there would be no change.

Mr. Hellyer: I am sorry, but I do not follow that question, Mr. Chairman. The policy which was enunciated right from the beginning was that the regimental system would remain and that regimental full dress would be retained. There has never been any deviation whatever in this policy, right from the outset.

I should warn my hon. friend that if he looks back to the uniforms of 20 or 30 years ago he will find there have been changes in regimental full dress since then, and I would not want to bind future generations to the precise details of regimental dress. But so far as the colour, pageantry and tradition are concerned, they remain, and there is no reason that they should not. We came quite consciously to the conclusion that one would always have for ceremonies like the one we enjoyed on the hill yesterday the variety of colour and uniforms which would add to the occasion in this kind of thrilling military ceremony.

Mr. Winch: Mr. Chairman, may I ask a question for clarification. Perhaps I have a different understanding from those to my right, but it was my understanding in the defence committee and in this house that when the minister spoke of a common uniform he was speaking only of a walking out uniform, not a traditional parade uniform. Is that correct?

Mr. Hellyer: That is quite correct. The new service dress or walking out uniform is comparable to the day to day uniform which has been worn by the three services in summer and in winter, and it replaces a number of uniforms. However, it does not replace regimental ceremonial dress, where no change is contemplated.

Mr. Churchill: May I ask the minister a question on this. The minister has now recognized the importance of distinctive regimental attire. Why does he not feel the same concern for the Royal Canadian Navy and permit its members to continue to have their distinctive attire so that they are marked off from airmen and from soldiers?

Mr. Hellyer: In so far as ceremonial occasions are concerned, if this is deemed to be desirable there is no reason why it cannot be.

• (8:40 p.m.)

Mr. Churchill: Now the minister is being vague—"if it is deemed to be desirable".

Mr. Hellyer: There is a question of cost involved. My hon. friend will appreciate that, with the exception of the Canadian Guards, regimental full dress outfits are acquired by the regiments themselves out of regimental funds. They have deemed it desirable to acquire full regimental dress, and that is what I would have in mind.

May I now comment briefly on the defence headquarters and about the connection of the Minister of Public Works with this matter.

Mr. MacLean (Queens): Before the minister proceeds to that matter may I ask him, as a supplementary question, what is to be the position of members of what used to be the Canadian navy when Canadian ships visit foreign ports? It should be remembered that the only Canadian servicemen those in foreign countries see are, or were, sailors in their distinctive naval uniforms. Around the world naval uniforms generally follow a similar pattern. It does not matter what country the sailors come from, they take pride in being recognized as sailors.

Our sailors, when visiting foreign countries—as they frequently do—become ambassadors of this country. I should like the minister to say, if he can, that when our ships visit foreign ports Canadian sailors will be able to go ashore to be recognized for what they are.

Mr. Churchill: Hear, hear.

Mr. Hellyer: I have talked to quite a few sailors in the last three or four weeks who told me that in future they would be very proud to wear the Canadian service dress when they visit foreign ports.

So far as the new headquarters is concerned, I assure the hon. member for Carleton that the Minister of Public Works is as anxious as is the associate minister and as I am to see this matter go forward. Pretty well, so far, we have stuck to the schedule. As my hon. friend knows, this project has been more thoroughly planned than any other major office building has been planned in the history of the Canadian government. At the same time there is an urgency to get ahead with it. It is being actively considered at the present time by the government, and I hope that a decision may be taken shortly to proceed with the project as planned.

Mr. Bell (Carleton): Would the minister be good enough to tell me what the time scheduling of the building is?

Mr. Hellyer: From memory, the last time schedule I saw called for completion in 1972.

Mr. Bell (Carleton): Commencing when?

Mr. Hellyer: I have to qualify that answer, because it depends on the contract. If it is a fixed price contract the commencement is likely to be later than if separate contracts are let for separate parts of the building.

Mr. Bell (Carleton): When does the minister expect tenders will be called?

[Mr. Hellyer.]

Mr. Hellyer: Not sooner than one year from now, or perhaps two years from now, depending on the type of contract that is approved.

Mr. Bell (Carleton): Why is there such a long delay?

Mr. Hellyer: Considerable detailed work has to be done in the plans for the building —these are the working drawings. If a fixed price contract is decided on by the government it will require about one year's additional detailed work before tenders can be called. The time involved is approximately of that order.

Mr. Knowles: Before the minister leaves that question, may I raise a point? Was he leaving that question?

Mr. Hellyer: That question, yes.

Mr. Knowles: Before he leaves that question may I ask whether the plans for the new national defence headquarters, and particularly the height of the building, have been reconsidered? As the minister knows, some of us registered an objection to a building which would be higher than the peace tower on parliament hill being built close to these parliament buildings.

Mr. Bell (Carleton): Hear, hear.

Mr. Knowles: May I ask whether the height of the building has been reconsidered?

Mr. Hellyer: After the objection was raised the matter was reconsidered. Nevertheless, following consultations with some of the best site architects on this side of the water, and on the other, it was concluded that the building is sufficiently removed from parliament hill that it will not interfere in any way with the skyline. In fact, it will enhance the skyline, particularly from the Hull side, the Interprovincial bridge and the Macdonald-Cartier bridge. The present plan is to proceed with the building, as designed.

Mr. Knowles: The minister has expressed an opinion with which some of us may disagree. Have we yet voted the money for this building?

Mr. Hellyer: No, not yet. My hon. friend at the requisite time will have another opportunity to state his views on this matter. He appreciates, I expect, that there are as many views about architecture and town planning as there are people involved with respect to

those matters. We obtained the best professional advice that we could get. The consensus was that the new defence headquarters, as they have been planned, will enhance the skyline of Ottawa considerably and will be pleasing aesthetically.

Mr. Knowles: Granted that there are many views; but is it not also admitted that the final decision on the matter should be that of parliament? Should parliament not be heard before the matter is made final?

Mr. Hellyer: Parliament will have that opportunity. We cannot begin construction until the funds are voted. That will be parliament's opportunity to approve or disapprove of the existing plans.

Mr. Bell (Carleton): When the minister said that he had obtained opinions from architects on this side of the water, I was not sure whether he was referring to the Ottawa river or the Atlantic.

Mr. Hellyer: I was thinking of the Atlantic.

Mr. Bell (Carleton): Being more parochial than the minister, perhaps I was thinking of the other side of the river when he made that remark. I wonder if the minister will not give the assurance that the plans for the building will be submitted to the special joint committee which his colleague, the Minister of Public Works, has proposed should be appointed to deal with matters affecting the national capital. I share the view that has already been expressed, that there could be considerable difficulty with a building as high as this building being built close to parliament hill. This matter, I think, should be studied by members of parliament—by the representatives of our people—before a final decision is taken.

Mr. Hellyer: I am not in a position to give that assurance. That is the prerogative of the Minister of Public Works—if I am correct in assuming that the Department of Public Works will ask parliament to vote the money for this building.

Mr. Bell (Carleton): Will the minister not recommend the view I have expressed to his colleague?

Mr. Hellyer: I shall be glad to refer it to him for his consideration. Perhaps I ought to say that the requests of my two hon. friends, in a sense, are conflicting, as plans have reached the stage where any redesign might entail considerable delay, with resulting escalated costs. I added that remark by way of caveat so that my hon. friends will not overlook the contradictions in their suggestions.

Mr. Knowles: May I support the suggestion of the hon. member for Carleton that this question be referred to the joint committee for study? I realize that parliament has the final say and that we have not yet voted the money. However, I have not seen many occasions when parliament has turned down a vote for money that was placed before it. When that point is reached, when we are asked to vote money, the die is pretty well cast.

The minister will recognize, from opinions which have been expressed here tonight, that the opinion I happen to hold is shared by many other hon. members. I wonder whether there are not already too many high structures close to these parliament buildings to spoil the skyline of this city. Some are private structures and should not have been permitted to be as high as they are.

Mr. Bell (Carleton): Hear, hear.

• (8:50 p.m.)

Mr. Knowles: To permit a government structure only half a mile from this building to be higher than the peace tower itself, higher indeed than the flagpole on top of the tower, is I think a mistake symbolically. Further, I think it would destroy the beauty of this setting. I urge the minister not to rely on the proposition that before construction can begin an estimate has to come before the committee of supply. In practical terms it would be too late, then, bearing in mind the way in which the house votes money. I think the suggestion that this should be studied in advance by a committee considering the whole Ottawa situation is one which the minister should recommend strongly to his colleague.

Mr. Hellyer: I must admit that at the outset I shared the hon. member's concern. Having looked carefully at the site plan and the model, I was reassured. This does not say that the hon. member would be reassured if he were to study them. I will certainly recommend to

my colleague that he consider this request. I think it is a reasonable one and I am sure he would be pleased to give it his thoughtful consideration.

Mr. Bell (Carleton): Thank you very much.

Mr. Hellyer: This afternoon I undertook to put on record one further table, a breakdown of construction and equipment by commands. It is under the general heading "Capital acquisition or Construction of Building Works and Lands". The details are as follows:

Capital	Maritime Command	Mobile Command	4 C.I.B.G.	1 Air Div.	Air Defence Command	Air Transport Command	Training Command	Materiel Command	Cdn. Forces Communications System	Cdn. Force H.Q. and misc.	Reserves	Total
Acquisition or Construction of Buildings, Works, and Land.....	5,062	5,220	937	892	6,430	2,309	1,985	1,438	—	1,727	—	26,000
Equipment:												
Ships.....	56,819	—	—	—	—	—	45	—	—	4,286	46	61,196
Armoured fighting vehicles.....	—	11,815	2,125	—	—	—	560	—	—	—	—	14,500
Aircraft and engines.....	10,655	60,000	—	1,966	459	21,214	911	—	—	16	—	95,221
Ground mobile equipment.....	1,477	3,715	719	494	2,066	1,227	1,436	1,005	—	—	—	12,139
Armament equipment.....	1,410	2,632	1,802	68	2,205	65	385	114	2	49	701	9,433
Electronic and communication equipment.....	13,954	2,260	709	399	1,008	2,955	1,567	179	7,082	3,025	—	33,138
Special training equipment.....	1,737	150	—	—	46	800	527	—	—	—	—	3,260
Miscellaneous technical eqpt.....	7,326	1,339	418	753	1,201	446	2,088	622	83	665	190	15,131
Ammunition and bombs.....	9,029	72	16,370	379	26	158	26	26	—	—	—	26,086
Total equipment.....	102,407	81,983	22,143	4,059	7,011	26,865	7,545	1,946	7,167	8,041	937	270,104
DEVELOPMENT.....	8,488	1,495	1,393	267	261	202	—	—	208	5,686	—	18,000
Total, capital.....	115,957	88,698	24,473	5,218	13,702	29,376	9,530	3,384	7,375	15,454	937	314,104

Supply—National Defence

• (9:00 p.m.)

Mr. Forrestall: I have one brief question to ask. I apologize for not having been here this afternoon. I wonder whether the minister has touched on the broad problem, which seems to be raising its head again in Halifax, having to do with tenders called for H.M.C.S. *Scotian*. Can the minister enlighten us on this matter?

Mr. Hellyer: No; I did not touch on that, Mr. Chairman. I have no up to date information on it of which I am aware. There has been no change in the plans of which I know.

Mr. Forrestall: Then there is no money in these estimates for that building program?

Mr. Hellyer: That project is being paid for from what we call vote 48, which is the vote in respect of the funds we have accumulated from the sale of surplus properties.

Mr. Crouse: Mr. Chairman, I should like to ask a more or less related question. Have any steps been taken to improve the efficiency of our east coast dockyards? The minister is aware that because of the peaks and valleys our naval dockyards are an efficiency expert's nightmare. I wonder whether any consideration has been given to an attempt to level out the flow of the work at the dockyards, for example in respect of the refit work, without impeding the efficiency of the fleet. Has any consideration been given to this aspect of the refit work, especially as it pertains to the east coast?

Mr. Hellyer: If I understood the question correctly, it is this: Have any studies been made in an attempt to level out the amount of work?

Mr. Crouse: Yes.

Mr. Hellyer: I think the answer is yes, subject to confirmation by the members of my staff. I remember seeing a paper not too long ago which mentioned that they were attempting to cycle the refits and the other work being done in the dockyards in such a way that there would be the least tendency toward peaks and valleys in the work load, and so that there would be the maximum utilization of the personnel there.

Mr. Crouse: Has any consideration been given to going back to the old system of allocation of work at the yards, particularly at Lunenburg and Liverpool, whereby they could look to the federal government for assistance in the form of refit work when their own yards are experiencing a slack period or a period when there is a certain amount of unemployment. This is a policy which has been followed in years gone by, as I am sure the minister knows.

Mr. Hellyer: This really is something which comes under the jurisdiction of the Department of Defence Production, since it pertains to allocation of work.

Mr. Bell (Carleton): The minister said either too much or too little in reply to the question asked by the hon. member for Halifax. He said that this applied to what we call vote 48, and that this is the vote in respect of the funds that we have accumulated from surplus. Now, sir, surely it cannot be the funds we have accumulated from surplus. I have before me the existing vote 48, which is a one dollar item. I will not go into my views in connection with one dollar items and their legislative capacity; but surely the minister cannot say, as he has, that this is something we have accumulated from surplus. I do not think there is any right vested in the department to accumulate anything from surplus. The department must go back to parliament and obtain a vote of parliament for anything that they may have in the way of surplus. The minister either has said too much or too little.

Mr. Hellyer: Last year parliament did in fact grant the department the right to dispose of properties up to a value of $5 million and to use the money for other works as approved by Treasury Board. During the course of last year we did just that. We sold slightly over $5 million worth of property and are now spending that money on necessary works and buildings including H.M.C.S. *Scotian*. This in essence really is the good management policy which the hon. member for Coast-Capilano was talking about a few minutes ago, when he said that a system had been implemented which provided an incentive for the department to get rid of surplus stores, including lands and buildings. This is the same kind of an incentive a private corporation would have. I can assure my hon. friend that it is working exactly the way we might expect it to work. Before we had this authority there was a great reluctance on the part of the staff to dispose of anything because the revenue went back into the consolidated revenue fund. There was no benefit to the department, and if anyone could make even the slightest case for retention of the stores, lands or buildings,

or whatever it might be, it was kept in inventory.

Now, with the authority to use these funds for important projects such as the one at Halifax, the staff is trained to make an effort to declare surplus anything we really do not need and invest the money in something which will be more productive on behalf of the Canadian taxpayers.

Mr. Bell (Carleton): Has this been considered by the standing committee on public accounts?

Mr. Hellyer: I think the Auditor General made some comment about this last year, but I am speaking from memory.

Mr. Hales: Mr. Chairman, I might make an observation here: It was discussed by the public accounts committee. If my memory serves me correctly, that committee was of the opinion that it is a good method to dispose of surplus material. The money goes into the consolidated account, but Treasury Board should have some say over how the money is spent. I think possibly Treasury Board does have some say concerning how this money which has been accumulated by the sale of excess or obsolete equipment is spent.

Mr. Hellyer: That is quite correct; we cannot spend a cent of the money without Treasury Board approval.

Mr. Bell (Carleton): It seems to me that there should be some special report to parliament in relation to these items.

Mr. Johnston: Mr. Chairman, I should like to ask a brief and perhaps not unrelated question. With the completion of the plan for unification a great many badges, flashes and markings will become obsolete. Therefore their value will increase sharply. Has the department given any thought to registering or licensing legitimate collectors, and to formalizing the arrangement by which such materiel which is not actually called surplus materiel, proceeds on to the market, because although the fictitious idea is that it is destroyed, it does somehow get into the hands of dealers who thereby are able to make a profit on it.

Mr. Hellyer: I will take that question as notice, Mr. Chairman. I am not sure what the details are. I believe the Queen approves the badges and there would be a crown patent in respect of them. In so far as the method of disposal is concerned, I am afraid I really cannot say anything in that regard at this time.

While I have the floor I might reply briefly to a question raised this afternoon by the hon. member for Okanagan-Revelstoke when he was referring to the expenditures of the department. I should like to say to him that in principle there often is a very real fall-out, or whatever he called it—

Mr. Johnston: Spin-off.

Mr. Hellyer: —spin-off to the civilian economy from defence research development. One might think of many examples of this. Our market for turbine engines, for example, is something which is a direct derivative of defence expenditures for airplane turbine engines. Many of the developments in the electronics field fall into this category. One of the most dramatic examples is the proposed new Canadian communications satellite. At the time the Defence Research Board undertook this development there was no known defence requirement for it. Similarly there was no known commercial requirement for it; but during the course of the development, which began some years ago and is still continuing, there have arisen two requirements, one defence and one commercial.

• (9:10 p.m.)

We are very much interested in satellite communications in the defence department and we are getting real value from the development of the Defence Research Board. In addition to that there has been much discussion about Canada putting a satellite into orbit for our own communications. If we do this—and I think there is no doubt about our intention because this is something our nation should do—the technology and know-how of our experts who will implement that project will increase from the knowledge and experience they derive from these defence expenditures.

I must say there has been a great deal spent on defence research and development. I think it is fair to say there is no nation in the world which has not made expenditures for a similar purpose. We can thank many industries for the amount of experience we now have in this regard, and thank them again for the work which has been done in previous years, from which the defence department has gained.

Mr. Hopkins: Mr. Chairman, I should like to say a few words before vote No. 1 passes.

First let me say how proud we are in Renfrew North to have the Canadian Forces Base, Petawawa, in our area. This base is of great economic importance to my area, and its existence adds colour in many ways. We have a great deal of respect for the present camp commander, Colonel Reilander, who has upheld his position with dignity and prestige, as a result of which he has terrific public relations with the various municipalities which surround the base.

This camp was first started in 1905 and has played a very important role in the economy of the area since. Sometimes we lose sight of the fact that the people at the camp are very important to this area and play a major role. We must always keep this fact in mind. A couple of weeks ago I had the privilege of attending the dedication ceremony of a new chapel on the base, and I should like to thank the minister and the associate minister for the interest they take in matters such as these. Not long ago there was a drowning tragedy in the Petawawa river near the base. There were 17 volunteers from the Canadian army based at Petawawa who searched the river for a distance of two miles. This type of thing certainly adds to the respect people have for our Canadian Armed Forces.

In conclusion I should like to say to the minister and the associate minister that if they have any problem in finding a location for that proposed tall D.N.D. building in the city of Ottawa, we in the Pembroke-Petawawa area will welcome it with open arms. We do not care if it is built high enough to cast a shadow on Ottawa during the course of the evening. I think the minister and his associate once again for the excellent co-operation I have received from them since coming to Ottawa as a member of parliament in respect of many items within their jurisdiction.

Mr. Forrestall: Let me say one final word before we conclude our deliberations on vote No. 1. I should like to ask the minister to say a few words about our present armed forces voting rules. Perhaps he will indicate whether or not the department considers them adequate, or whether in view of our present day communications system there is some way that the information in respect of exercising of a franchise could be delivered in a shorter period of time.

Mr. Hellyer: Yes, Mr. Chairman, I am completely dissatisfied with the present system. It has long been said that there is nothing which

[Mr. Hopkins.]

can be done about it, but I do not believe that.

Mr. Forrestall: Neither do I believe it.

Mr. Hellyer: I think if enough effort is put into solving this problem, with our present-day modern communications we can accomplish something which will mean that the federal recorded vote will be known the same night. I have this electoral situation high on my agenda of things to do during this summer recess, and I intend to meet with the chief electoral officer to see if he can come up with something to assist in accomplishing my intention. I hope to work with him in co-operation with other experts to find out how to do this, because I am convinced it can be done.

Mr. Forrestall: Thank you very much.

Mr. McIntosh: Mr. Chairman, I rise at this time to warn the hon. member for Carleton not to be taken in by the answer he received from the Minister of National Defence.

Mr. Bell (Carleton): He has not been.

Mr. McIntosh: The hon. member asked a question as to whether or not there was an accumulation of surplus funds. This is a question which has been asked repeatedly by a number of critics of the present defence policy. Let me refer to the minister's speech of December 7, 1966, and his words in this regard. Before doing so I should like to say that this afternoon he was also asked whether he denies or confirms the statement made by his chief of defence staff. He got around the question by saying that members had on many occasions taken these words out of context. He did not deny or confirm these words. Nor did he deny whether the present policy of department was leaning in the direction of a peace keeping role.

In his statement to the house at the opening of our consideration of these estimates the minister left hon. members in some doubt as to his meaning. I think he forgot that some of us had attended the meetings of the committee, during which the chief of general staff made certain statements. We in the opposition were particularly anxious to examine his speech to determine what he meant by "unification". At that time he left us confused. Let me refer to several things I said at that time, beginning with the following:

> We in the opposition were particularly anxious to examine this speech to determine the minister's meaning—

I asked the minister how the three services could be different and still be identical. I asked how the three separate service entities could be abandoned in favour of one without any change in the three services. I also asked the minister what he meant by his statement that none of these aspects would be changed by moving to a single service from three separate services. I then went on to say that I did not hesitate to reveal that after reading the minister's speech I was confused as to his intentions regarding the present services. I said it was my hope that we had found a declaration in the minister's statement that we were going to retain the three services as we have known them—the army, the navy and the air force. I said I was not sure what the situation was, but reread the statement and discovered the last paragraph under the heading "careers" in which the minister said:

> One general principle should be underlined again: the combat units will retain their identity, and their specialized functions and training. It is important to state that it is not and never has been any part of the planning associated with unification to convert our servicemen to "Jack-of-all-trades". An infantry soldier will not be asked to do the job of a sailor in a fighting ship: a sailor will not be asked to fight in an infantry platoon; and a fighter pilot will not be required to drive a tank.

Under the heading "continuation of Units and Elements" we find these words:

> • (9:20 p.m.)
>
> At the time the new force comes into being its units and elements shall be those which then exist in the navy, army and air force.

The minister said units and elements of the force are the command entities. For example in the navy, ships and squadrons; in the army, the battalions of infantry, regiments of artillery, armoured regiments and brigades; in the air force, squadrons, wings and groups. He said all these would remain unchanged. I read that last sentence over three times. I reflected back to the minister's previous words, when he said:

> None of these will be changed in moving to a single service—

There was to be no change in the organization of these force units. I began to wonder why we had been concerned about the minister's coined word "unification." I began to wonder why the large number of senior officers had resigned or taken early retirement. The minister had stated there would be no change in the three separate services. I was beginning to understand the minister. What he meant was integration at the top, in administration and supply; and as we said at that time, we agreed with the requirements for integration. We would support such a move. I was further elated when I read in the same paragraph the following statement by the minister:

> This system will not be changed by reason of unification. Certainly we will continue to have infantry regiments as well as the Royal Canadian Armoured Corps and the Royal Regiment of Canadian Artillery.
>
> Although a unified personnel management system will be introduced, the separate units and elements of naval, field and air force will continue to exist.
>
> Personnel in the combat forces will continue to be identified as sailors, soldiers and airmen.

Then, Mr. Chairman, the roof fell in on me because the minister ended his sentence, after saying all those things about no change, with these words; "until the force structure within the unified force is developed." The minister said there would be no change until that time. I want to know when this force structure will be developed and when all this change will take place.

The Chairman: Shall vote No. 1 carry?

Mr. McIntosh: No, Mr. Chairman. I should like the minister to answer that question. When does he intend that the change in the force structure shall take place?

Mr. Hellyer: Mr. Chairman, I am not sure to what force structure the hon. gentleman is referring.

Mr. McIntosh: I am referring to the statement the minister made on December 7. If he has his speech there he will be able to find it. The minister said there would be no change until the force structure within the unified force was developed. When is this to take place?

Mr. Hellyer: Mr. Chairman, I explained all this once to my hon. friend and I would have thought he could have referred to what I told him and spared the committee. If he is wondering at what time, say, the drivers of the three forces will be put together in one list, I cannot say. I would say, frankly, the sooner the better, but certainly not until we have had a chance to get the regulations drawn up and promulgated. Therefore I cannot answer the hon. member specifically. But I would hope that within a few months in regard to those areas that are common in the support sections we shall be able to develop common lists and the people in those lists will know what their seniority is, and so on. This is all I was referring to, and it should not excite my

hon. friend in any way because it does not relate to the fighting units or sub-units.

Mr. McIntosh: Mr. Chairman, this afternoon the hon. member for Winnipeg South Centre stated that too much emphasis had been placed on the administrative aspect of this department and not enough on the combat aspect. I would suggest that in view of the unhappy events that within the last two or three weeks have taken place in the Middle East, and what has happened to the peace keeping force which was there at the time, the minister should take a second look at any plan that would change the combat structure of our forces. We have time and time again warned the minister that if we cannot live up to our commitments in the collective defence of the North American continent we will place an added strain not only on our ally and good neighbour, the United States, and will be fast approaching a position of neutrality in respect of external affairs, which would be disastrous as far as Canada is concerned.

I referred this afternoon to what would happen to this country in the face of a determined aggressor. Canada is not in a position, because of its geographic location, to adopt a position of neutrality. The minister should look twice before he changes any of the combat units in being at the present time, because they may not fit into the requirements of our collective alliances. I would say again to the hon. member for Carleton that he should not be too sure that there will not be any change in the traditions of these regiments, which he mentioned in such glowing terms a few moments ago, because if this minister and his government remain in power I am quite sure the Canadian forces will in the future not be a source of pride to Canadians because of the actions taken under the guidance of the government.

The Chairman: Shall vote No. 1 carry?

Item agreed to.

The following items were agreed to:

Defence services—

15. Operation and maintenance and construction or acquisition of buildings, works, land and major equipment and development for the Canadian forces and $1,850,000 for Grants to the Town of Oromocto. $1,467,713,000.

Defence research—

Defence research board—

20. Operation and maintenance, $35,670,000.

25. Construction or aquisition of buildings, works, land and equipment, $8,947,000.

[Mr. Hellyer.]

30. To foster defence research in Canadian industry by supporting selected defence applied research programs, on terms and conditions approved by the treasury board, $4,500,000.

35. Research satellite program—to provide for the design and instrumentation of a series of satellites to carry out a scientific research program agreed upon jointly by the United States national aeronautical and space administration and the defence research board, $3,000,000.

Mutual aid—

45. Contributions to infrastructure and the military costs of the North Atlantic Treaty Organization and the transfer of defence equipment and supplies and the provision of services and facilities for defence purposes in accordance with section 3 of the Defence Appropriation Act, 1950, not exceeding a total of $27,076,000 including the present value of defence equipment or supplies or the cost of services made available by the Canadian forces estimated in the amount of $9,076,000 and provided by appropriations for those forces in the current and former years in respect of which, notwithstanding subsection (3) of section 3 of the said Act, no amount shall be charged to this appropriation or paid into a special account; provided by this vote, $18,000,000.

General—

48. To authorize, notwithstanding the financial Administration Act and section 11 of the Surplus Crown Assets Act, the payment into the special account in the consolidated revenue fund referred to in national defence vote 48 of the main estimates for 1965-66 of revenues received during the current and subsequent fiscal years from the sale during the current fiscal year of surplus buildings, works and land not exceeding an aggregate amount of $10,000,000, $1.

Mr. Hales: Mr. Chairman, I do not know whether this is the right vote under which to raise the matter I have in mind. This is a department that over the last five years has spent about $85 million per year in buying equipment, material and supplies. I realize that the department keeps a physical inventory of this equipment, but if any member of parliament should ask the Minister of National Defence to give him the value of this inventory, that is, the cost price of the inventory, the minister could not answer. The department is not keeping a dollar value of its inventory. It is only keeping a record of the physical count. This is no way to run a business. It is obsolete, it is old fashioned, and it is not good housekeeping.

To improve the situation would involve only a matter of tabulating when the equipment was bought, counting it and recording the cost price of the equipment. This record would become very valuable when the Department of National Defence turns its obsolete equipment over to Crown Assets for sale to the public. Goodness knows, the department turns over a great deal of equipment to Crown Assets because the equipment has become obsolete. If we ask Crown Assets

what this equipment cost, they cannot tell us because the Department of National Defence cannot tell them.

I ask the minister: Are you endeavouring to keep not only a physical inventory but a record of the dollar value of the inventory; and if so, at what stage is the department, and does the minister hope to have this system in operation in the near future?

Mr. Hellyer: The answer is yes, Mr. Chairman, the previous system, which we all felt to be inadequate, is being changed. We have it practically up to date at the present time and by this time next year it should be thoroughly accurate in so far as inventories are concerned, and broken down by activity within the department. We are at the moment, I think for the first time in living memory, in the process of calculating a dollar inventory value based upon cost.

Mr. Hales: It is high time.

The Chairman: Order. It being 9.30 p.m. it is my duty, pursuant to special order made Monday, June 26, 1967, to interrupt the proceedings and successively forthwith put every question necessary to dispose of the main estimates of the Department of National Defence, the Department of National Health and Welfare and the Department of Transport.

• (9:30 p.m.)

DEPARTMENT OF NATIONAL DEFENCE

General—

48. To authorize, notwithstanding the Financial Administration Act and section 11 of the Surplus Crown Assets Act, the payment into the special account in the Consolidated Revenue Fund referred to in National Defence Vote 48 of the main estimates for 1965-66 of revenues received during the current and subsequent fiscal years from the sale during the current fiscal year of surplus buildings, works and land not exceeding an aggregate amount of $10,000,000, $1.

An hon. Member: On division.

Item agreed to.

Pensions and other benefits—

50. Civil pensions and annuities as detailed in the estimates and to authorize in respect of members of the Royal Canadian Air Force on leave without pay and serving as instructors with civilian training organizations operating under the British Commonwealth air training plan who were killed, payments to their dependants of amounts equal to the amounts such dependants would have received under the Pension Act, as amended, had such service as instructors been military service in the armed forces of Canada, less the value of any benefits received by such dependants under insurance contracts which were effected on the lives of such members of the Royal Canadian Air Force by or at the expense of the civilian organization, $9,990.

Item agreed to.

Defence construction (1951) limited—

55. Expenses incurred by Defence Construction (1951) Limited in procuring the construction and maintenance of defence projects on behalf of the department of national defence and procuring the construction of such other projects as are approved by treasury board, $2,350,000.

Item agreed to.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Administration—

1. Departmental administration including recoverable expenditures on behalf of the Canada pension plan and $500,000 for health grants and welfare grants, under terms and conditions approved by the treasury board, for research and demonstration activities in the field of mental retardation, $4,127,000.

[*Translation*]

Mr. Latulippe: Mr. Chairman—

[*English*]

The Chairman: I should point out to the hon. member for Compton-Frontenac that the estimates of the Department of National Health and Welfare are passed without debate at this stage.

Item agreed to.

The following items were agreed to:

Health services—

5. Administration, operation and maintenance, and authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for prosthetic services, $7,954,800.

6. Construction or acquisition of buildings, works, land and equipment, $921,200.

Health insurance and resources—

8. Administration, operation and maintenance, including grants as detailed in the estimates, $1,412,500.

10. To authorize general health grants to the provinces, the Northwest Territories and the Yukon Territory upon the terms and in the amounts detailed in the estimates and under terms of conditions approved by the governor in council including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current year not to exceed a total amount of $40,817,720, $31,528,000.

15. To authorize hospital construction grants to the provinces, the Northwest Territories and the Yukon Territory upon the terms and in the amounts detailed in the estimates and under terms and conditions approved by the governor in council including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current year not to exceed a total amount of $29,706,601, $20,000,000.

17. Amount to be credited to the hospital insurance supplementary fund established by national health and welfare vote 17a, Appropriation Act No. 9, 1966, for payments in respect of the cost of insured services incurred by a person who, through no fault of his own, ceased to be eligible for and entitled to insured services under the Hospital Insurance and Diagnostic Services Act, $20,000.

Medical Services—

20. Administration, operation and maintenance including authority to make recoverable advances in amounts not exceeding in the aggregate the total of all amounts to be paid by the Governments of the provinces and territories under agreements to be entered on terms approved by the governor in council with such Governments in respect of health assistance to persons residing on Indian reserves other than Indians and to residents of the Territories other than Indians and Eskimos, $37,540,000.

25. Construction or acquisition of buildings, works, land and equipment including payments to hospitals and other institutions which care for Indians and Eskimos as contributions toward the construction of hospitals and related facilities, $2,812,000.

Food and drug services—

30. Administration, operation and maintenance, $7,372,000.

35. Construction or acquisition of equipment, $430,000.

Welfare services—

40. Administration, operation and maintenance including recoverable expenditures on behalf of the Canada pension plan, and grants as detailed in the estimates, $10,103,900.

41. Family assistance, under such terms and conditions as may be approved by the treasury board, in respect of children of immigrants and settlers, $4,315,000.

45. National welfare grants—to authorize, on terms and conditions approved by the governor in council, national welfare grants to provinces and welfare agencies including schools of social work, and to individuals in the form of scholarships and fellowships, $2,500,000.

DEPARTMENT OF TRANSPORT

The following items were agreed to.

A—Department—

1. Departmental administration, $6,655,700.

2. Acquisition of railway cars and other equipment, $200,000.

3. Reimbursement of the department of transport working capital advance for the value of stores which have become obsolete, unserviceable, lost or destroyed, $100,000.

Marine services—

5. Administration, operation and maintenance including fees for membership in the international organizations listed in the details of the estimates, pensions, grants and contributions as detailed in the estimates, the payment of expenses, including excepted expenses, incurred in respect of Canadian distressed seamen as defined in section 306 of the Canada Shipping Act and, in respect of the Canadian coastguard service, authority to make recoverable advances for transportation, stevedoring and other shipping services performed on behalf of individuals, outside agencies and other governments and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total amount of $28,456,100, $52,921,000.

10. Construction or acquisition of buildings, works, land, vessels and equipment including payments to provinces or municipalities as contributions towards construction done by those bodies, $50,387,700.

[The Chairman.]

Railways and steamships—

15. Payments to the Canadian national railway company (hereinafter called the company) upon applications approved by the Minister of Transport made by the company to the Minister of Finance, to be applied by the company in payment of the deficits, certified by the auditors of the company, arising in the operations in the calendar year 1967 in respect of the following:

(i) Canadian national railways system, (subject to recovery therefrom of accountable advances made to the company from the consolidated revenue fund):

(ii) Ferry services:

Newfoundland ferry and terminals; Prince Edward Island ferry and terminals and Yarmouth, N.S.—Bar Harbour, Maine, U.S.A., $36,397,600.

20. Construction or acquisition of buildings, works and land, dock and terminal facilities, including improvements to terminal facilities owned by Newfoundland, and of vessels and related equipment as listed in the details of the estimates provided that treasury board may increase or decrease the amounts within the vote to be expended on individually listed projects, $24,527,000.

25. Payments under the Maritime Freight Rates Act, payments to provinces as contributions to assist highway construction related to the abandonment of railway branch lines, grants in aid of transportation research to universities and such other organizations as may be approved by the treasury board, and payments for supplemental pension allowances to railway employees, subject to the terms specified in the subvote titles listed in the details of the estimates, $16,247,100.

Air services—

30. Administration, operation and maintenance including the administration of the Aeronautics Act and regulations issued thereunder and the administration of the Radio Act and regulations issued thereunder, $118,888,000.

35. Construction or acquisition of buildings, works, land and equipment including national airports (as determined by the Minister of Transport) and related facilities, contributions towards construction done by local or private authorities with respect to such airports; amounts to be paid in settlement of claims for compensation by persons whose property is injuriously affected by the operation of a zoning regulation made under authority of paragraph (j) of subsection (1) of section 4 of the Aeronautics Act, and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed for airports and other ground services a total amount of $37,240,000, for radio aids to air and marine navigation a total amount of $15,273,000, and for meteorological services a total amount of $3,189,500, $47,253,000.

40. Grants, contributions, subsidies and other payments as detailed in the estimates, Canada's share of the cost of the international radio, telephone and telegraph organizations listed in the details of the estimates and Canada's assessment for membership in the world meteorological organization, $3,493,200.

B—Air transport board—

50. Salaries and other expenses, $1,000,000.

52. Payment of operating subsidies as approved by the treasury board to regional air carriers, $3,000,000.

C—Board of transport commissioners for Canada—

55. Administration, operation and maintenance, $1,833,300.

57. Amount to be credited to the railway grade crossing fund, in addition to the amount to be credited to the fund under the Railway Act in the current fiscal year, for the general purposes of the fund and, notwithstanding section 30 of the Financial Administration Act, to authorize the making of commitments totalling $43,967,000 (in addition to any commitments in respect of which amounts are appropriated under this or any other act) in the current and subsequent fiscal years, $10,000,000.

D—Canadian maritime commission—

60. Administration of the commission and the degaussing of Canada government ships and Canadian-owned merchant ships of 3,000 gross tons to 20,000 gross tons, of Canadian registry or of United Kingdom registry if subject to re-transfer to Canadian registry under special inter-governmental arrangement, $405,000.

65. Steamship subventions for coastal services, as detailed in the estimates, $9,727,000.

E—National harbours board—

70. Payments to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet reconstruction and capital expenditures during the calendar year 1967 as detailed in the estimates, $5,880,000.

75. Payment to the national harbours board to be applied in payment of the deficit (exclusive of interest on advances authorized by parliament and depreciation on capital structures) expected to be incurred in the calendar year 1967 in the operation of the Jacques Cartier bridge, Montreal harbour, $473,600.

F—St. Lawrence seaway authority—

80. Operating deficit and capital requirements of canals and works entrusted to the St. Lawrence seaway authority with the approval of the governor in council, and to authorize, notwithstanding the Financial Administration Act or any other act, the disbursement by the authority of revenue derived from the operation and management of such canals and works, $2,370,000.

85. Payment to the St. Lawrence seaway authority, upon application approved by the Minister of Transport, made by the authority to the Minister of Finance, to reimburse the authority in respect of the Welland canal deficit incurred by the authority during the calendar year 1967, $9,925,000.

G—Atlantic development board—

90. Administration and operation, $2,663,000.

Canadian overseas telecommunication corporation—

L100. Loan to the Canadian overseas telecommunication corporation in accordance with section 14 of the Canadian Overseas Telecommunication Corporation Act for additions and betterments to facilities, $6,600,000.

National harbours board—

L105. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1967 on any or all of the following accounts: reconstruction and capital expenditures—

Belledune	$ 3,300,000
Trois Rivieres	531,000
Montreal	16,708,000
Vancouver	16,788,000
	37,327,000
Less—Amount to be expended from replacement and other funds	6,531,000

St. Lawrence seaway authority—

L110. Loans to the St. Lawrence seaway authority in such manner and subject to such terms and conditions as the governor in council may approve, $45,500,000.

Resolutions adopted in committee of supply this day reported and concurred in.

WAYS AND MEANS

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Batten in the chair.

Mr. Benson moved:

Resolved, That towards making good the Supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending the 31st day of March, 1968, the sum of $2,450,967,350.24 be granted out of the Consolidated Revenue Fund of Canada.

Mr. Bell (Carleton): Mr. Chairman, before the resolution is agreed to—

The Chairman: Order, please. I doubt there can be any debate at this particular time.

Mr. Bell (Carleton): With great respect, Mr. Chairman, we have a right to comment in the committee of ways and means, and I only want to put one simple question to the President of the Treasury Board. I wish to ask him whether he would facilitate proceedings by agreeing to increase the amount by only a small amount in order to provide increases for retired civil servants.

Mr. Benson: Mr. Chairman, in reply to this question, and with due deference to my hon. friend, I will say that I do not think this is a matter to be debated at this time. However, I can assure him that the government has as much or more concern for retired civil servants as anyone else in this house. This is a matter which requires careful consideration by the government, as I have explained previously, and after due consideration the government will bring forth its proposals in this regard.

The Chairman: I must point out to the house that the Chair is attempting to follow the direction given to the Chair by the order of the house made on June 26, which was to put successively every question relating to the supply of the departments concerned. It is the interpretation of the Chair that it is the duty of the Chair to put these questions now.

Mr. Bell (Carleton): The order said "successively" but it did not say "without debate", and there is nothing in this resolution which says that it shall be put without debate. I venture to suggest that this house could go on indefinitely under the terms of this resolution. I have no intention of pursuing the matter further but I suggest that debate cannot be guillotined in this way.

The Chairman: Order. Perhaps the hon. member for Carleton would permit me to differ with him at this particular time, but as I read the instructions given to the Chair—and the Chair is in the hands of the house—the order of the house made on June 26 was that every question shall successively be put forthwith. The Chair interprets that order of the house as meaning that all the questions dealing with the estimates of the department concerned should be put now.

Motion agreed to.

Resolution reported and concurred in.

Mr. Benson thereupon moved for leave to introduce Bill No. C-146 for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1968.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the bill be read the second time?

Some hon. Members: Now.

Mr. Knowles: On a point of order, Mr. Speaker, may I ask whether the bill has been printed?

[Mr. Bell (Carleton).]

Mr. Deputy Speaker: Yes, the bill has been printed and copies of it are available.

Mr. Knowles: May we look at it, even if we cannot speak about it?

• (9:40 p.m.)

Mr. Benson moved the second reading of the bill.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

Mr. Knowles: I rise on a point of order, Mr. Chairman. I think we have been given the wrong bill. The bill I have received is the bill for interim supply, which comes later.

Mr. Benson: This probably means we are a little bit ahead of time.

Mr. Bell (Carleton): May we just sort out this confusion? While that is being done, I wonder if we at least have the right to hear the minister give the customary assurance that this bill is in standard form?

Mr. Benson: This bill contains nothing which is not usual in such bills. I should like to say that the form of this bill is the usual one for full supply bills, and the procedure herein proposed is similar to that followed in April, 1957 when Appropriation Act No. 5,1957 granted total supply and supplementary estimates for the Post Office Department. I should like also to state that this bill contains full supply as contained in the main estimates for the various departments involved, those departments it was agreed would be passed at this time. It does not deal with the matter of supplementary estimates.

Mr. Winch: May we also ask why we have a bill that has no number?

Clauses 2 to 6 inclusive agreed to.

Schedule agreed to.

Clause 1 agreed to.

Preamble agreed to.

The Chairman: Shall I report the bill?

Mr. Winch: May I ask, as a matter of interest, why this bill has no number? I thought it was necessary for a bill to have a number.

Mr. Benson: I presume, Mr. Chairman, this is a matter for the Chair rather than for the minister involved. I can assure my hon. friend the number will be put on this particular appropriation bill. I think it is appropriation Bill No. 5.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read a third time?

Mr. Starr: Now, by leave.

Mr. Deputy Speaker: Perhaps the Chair should point out that since this particular activity is under an order of the house, this bill could not be passed by leave.

Mr. Benson moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

INTERIM SUPPLY

Mr. Benson moved:

Resolved, that a sum not exceeding $965,328,156.84 being the aggregate of—

(a) four twelfths of the total of all the items set forth in the main estimates for the fiscal year ending March 31, 1968, laid before the House of Commons at the present session of parliament and not otherwise provided for, except public service commission item 5 and loans, investments and advances item L40, for which no proportion is granted hereby, $889,450,033.33;

(b) four twelfths of the total amount of Public Works item 65 (Schedule A) of the said main estimates, $4,883,333.33;

(c) three twelfths of the total amount of Legislation item 15 (Schedule B) of the said main estimates, $46,950;

(d) two twelfths of the total amounts of External Affairs item 10, Secretary of State items 35, 40 and 45, Trade and Commerce item 29 (schedule C) of the said main estimates, $5,942,766.67;

(e) one twelfth of the total amounts of Agriculture item 55, Finance item 10, National Film Board item 1 (Schedule D) of the said main estimates, $4,874,691.67;

(f) seven twelfths of the total of all of the items set forth in the supplementary estimates A for the fiscal year ending March 31, 1968, laid before the House of Commons at the present session of parliament, $55,713,715.17;

(g) four twelfths of the total amounts of loans, investments and advances items L40a and L112a (schedule E) of the said supplementary estimates, $4,416,666.67, be granted to Her Majesty on account of the fiscal year ending March 31, 1968.

The Chairman: Shall the resolution carry?

Mr. Bell (Carleton): As a minor concession to parliamentary control, would the minister explain why the fractions are different?

Mr. Benson: The proportions requested in this bill, as indicated, are to provide for all necessary requirements of the public service up until October 31, 1967. In no instance is the total amount of any item being released by this resolution and the subsequent bill. The form of this resolution and the subsequent bill are in the usual form for interim supply. The passage of this bill will not prejudice the rights and privileges of hon. members to criticize any item in the estimates when it comes up for consideration in the committee. The usual undertaking is hereby given that such rights and privileges will be respected, and will not be curtailed or restricted in any way as a result of the passage of this measure.

In answer to the specific question of my hon. friend, I should like to assure him that in some instances it is necessary to require more than the usual seven twelfths which would be included in this bill in order to pay accounts which may come due because particular projects happen faster in particular departments involved. However, in no case is more than eleven twelfths to be granted, and in some cases less than seven twelfths is being asked for, and I hope granted. The matters involved are completely open to debate.

Mr. Starr: I think the minister should clarify what he said a moment ago, that no member is precluded from criticizing any part of these appropriations when we come to committee, in view of the order of the house.

Mr. Benson: In future, I meant to say.

Mr. Starr: I do not believe you mentioned the word "future".

• (9:50 p.m.)

Mr. Benson: I mentioned that in no case in the interim supply bill were we closing out any items which have not been passed in full supply in the preceding bill. So that in future, Mr. Chairman, members in committee will have the full right to criticize or raise any question on any item.

Resolution reported and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Batten in the chair.

Mr. Benson moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year

ending the 31st March, 1968, the sum of $965,328,-156.84 be granted out of the Consolidated Revenue Fund of Canada.

Motion agreed to.

Resolution reported and concurred in.

Mr. Benson thereupon moved for leave to introduce Bill No. C-147, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1968.

Motion agreed to, bill read the first and second times and the house went into committee thereon, Mr. Batten in the chair.

The Chairman: Order. House in committee of the whole on a bill entitled an act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1968.

Clauses 2 to 6 inclusive agreed to.

Schedules A to D inclusive agreed to.

On schedule E:

Mr. Benson: Mr. Chairman, in the footnote to schedule E the amount should read $4,-416,666.67. There was a "6" left out and I should like to correct that figure.

Mr. Knowles: Where was the "6" left out? In the hundreds or the tens?

Mr. Benson: In the hundreds.

The Chairman: The correction to which the Minister of National Revenue refers is to a footnote at the bottom of page 8 in which there is a misprint, a "6" being left out. This is not part of the bill and is therefore not subject to amendment, though subject to correction.

Schedule agreed to.

Clause 1 agreed to.

Preamble 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. Benson moved the third reading of the bill.

Hon. R. A. Bell (Carleton): Mr. Speaker, in view of the fact that the bill contains no provision for increases in the pensions of superannuated civil servants, I ask that it be passed on division.

[Mr. Benson.]

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the said motion on division?

Some hon. Members: Agreed.

Motion agreed to and bill read the third time and passed.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

THE CANADIAN ECONOMY—SUGAR—INCREASE IN PRICE

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, on June 21 I asked the Registrar General whether he could indicate why the price of a ten pound bag of sugar in Canada's third largest city, Vancouver, had risen from 97 cents at the beginning of June to $1.12 at the present time. In view of the fact that within the last half hour this evening we have passed, if my arithmetic is correct, the sum of $3,416,295,507.08, it seems to me slightly bewildering to think we should be concerning ourselves about this rise in the price of sugar. It is bewildering until one realizes that for people across the country the costs of sugar, bread, meat and milk are the costs that matter most, and some of our people unfortunately have smaller means than they should have with which to meet these costs.

• (10:00 p.m.)

I want to stress that the price of sugar in Vancouver within a three-week period rose from 95 cents to $1.12. The public was given no reason for that increase. One correspondent of mine in Vancouver was told by a merchant that the Israeli-Arab war caused the price increase. She said that that could not have been correct as sugar stocks were on hand before the war broke out. The war could not have affected sugar prices in so short a period.

I also wish to emphasize that on June 17 Christie's Bread announced that it would increase the price of its 24 ounce loaf to retailers by two cents, and the one pound loaf to retailers by one cent, effective as of June 26. Shoppers in Ontario and Quebec are affected by this increase. Also, on June 23 General Bakeries Limited and Canada Bread Company raised their prices. General Bakeries Limited raised its prices by the amount that Christie's had raised theirs, and Canada

Bread Company increased its price for the 24 ounce loaf by one cent.

Though the Registrar General is new to his job it is high time that he looked into matters affecting consumers. On June 16, in the speech in which he outlined his plans for the whole department under his control, he said, as reported on page 1608 of *Hansard*:

> It is all very well to go off in all directions like a chicken with its head off, but I feel this would only cause unnecessary distortions in marketing practices and would provoke more difficulties than it would solve. If I were to suggest something which perhaps is un-Canadian, I might say I think we should have facts before we have policy. I intend to proceed with all deliberate speed in that fashion.

I am afraid that Canadian consumers will get the idea, if they have not already got it, that the minister is proceeding with more deliberation than speed, when one considers the price increases of commodities such as sugar and bread that I have spoken of tonight. The cost of living index is steadily creeping upward and has done so for items such as rent, household appliances, as well as many other commodities which are taken into account in the cost of living index.

I appreciate that the minister cannot single handed investigate what is happening. He cannot run to the bakeries to ask why prices are going up; nor can he go to sugar refineries to ask why their prices are rising. I believe that there should be a board—some of us have called it a prices review board—to look into price increases and to determine whether they are justified by increased costs that manufacturers have to pay.

I notice that when the prices of bread charged by Christie's were increased, H. A. Vivian, vice president of sales for Christie's Bread division of National Biscuit Company of New York, refused to say what the price increase is to retailers. He did not want the public to know what the dealer margin is. The joint committee of the Senate and House of Commons on prices feels that that is exactly what the consumer should know. I urge the minister to establish within his department at once a fact finding body to determine why prices are going up.

The consumers are being most patient. The costs of bread, milk, sugar, housing and rents have increased, raising the cost of living. The price of milk has increased recently, as has the price of sugar. The cost of housing and of medical services has risen, together with many other items which make up the cost of living. Increasingly consumers will want to know why they are finding it harder and harder to make ends meet.

If the minister knows, let him tell us tonight why the cost of sugar increased in Vancouver. That is a specific inquiry I have to make. If he can do so, let him also tell us why there have been increases in the prices of bread and milk—increases which have caused great concern to families across this country. If the hon. gentleman does not know the reason, I should like him to tell us what steps he will take to ascertain it under his fine program of finding out the facts before making policy.

Hon. John N. Turner (Registrar General): I wish to say to the hon. lady in reply to the specific question she asked that Canadian refined sugar prices react almost immediately to changes in the world price for raw sugar. As a result of the Middle East crisis, world raw sugar prices advanced in early June and prices for refined sugar went up accordingly. Thus the B.C. Sugar Refinery in Vancouver, which was selling 100 lbs of cane sugar on June 1 for $7.85 had by June 5 raised its price to $8.95 per 100 lbs. Between June 5 and June 20 four reductions in price were made and by June 20 the refinery price was down to $7.40 per 100 lbs, lower than it had been on June 5. Similar price changes were made by the refiners in eastern Canada. It is to be hoped that retail prices will soon reflect the decreases in refinery prices which have taken place since June 5, if they have not already done so.

On the general question of prices, I wish to say to the hon. lady that constitutionally neither the federal government nor parliament has the authority to impose pervasive controls over the price of goods and services, except in a national emergency such as war. Consequently parliament would not have the authority to enact legislation regulating prices.

The movement of prices depends on a number of complicated factors. Some of the factors depend on world economic conditions; others relate to domestic fiscal, monetary and tariff policy. The conditions and economic expectations of the marketplace also come into play.

Under the Combines Investigation Act it is the responsibility of the Director of Investigation and Research to scrutinize all significant price movements which come to his attention and which may involve illegal restraints on competition. He is charged under that statute with the duty of initiating an

investigation whenever he has reason to believe there has been an offence against it. If the hon. lady has any information to suggest that there has been any violation under that statute as it presently exists, she should send that information to the director and he will take the appropriate action. If I receive any information to the same effect, I will immediately make the same reference to the director under the statute.

HOUSING—SUGGESTED CHANGE IN FORMULA TO DETERMINE MORTGAGE RATE

Mr. John Gilbert (Broadview): On June 23 I asked the Minister of Labour, who is in charge of housing, a specific question with regard to the change in the formula governing interest rates under the National Housing Act. The question I asked reads as follows:

In view of the probable increase in N.H.A. mortgage rates from 7 to 7¼ per cent, and in view of the serious decline in housing starts so far this year, does the government intend to change the formula for determining N.H.A. rates to encourage an increase in housing starts to meet the housing crisis today?

• (10:10 p.m.)

My question was prompted by an article which appeared in the *Globe and Mail* of June 16 by Kenneth B. Smith under the headline, "N.H.A. rate rise, easier money predicted soon." In that article the writer predicts the possible change in the rate from 7 to 7¼ per cent. One of the comments in that article is by David B. Kirkup, research director of the Toronto Real Estate Board, who said:

It would be illogical for the government to raise the N.H.A. rate at a time when the demand for maximum N.H.A. loans has diminished, at least in the Toronto market.

Another item in that article is as follows:

A June report on mortgage market conditions by the Toronto real estate company A. E. LePage Ltd. said N.H.A. mortgages for houses through approved lenders were in limited supply and for apartments and town houses almost non-existent.

On the conventional side, apartment and town house mortgages commanded a rate of 7¾ to 8 per cent, but the supply was extremely limited. The same rate applied for houses both presold and speculative.

That was the reason I asked the question. In his reply the minister suggested, in the first place, that the premise on which the question was based was completely wrong. He indicated that there had been an appreciable increase in the number of housing starts this year. When one recalls that the number of completions in 1965 was 166,000 and that in 1966 the number had dropped to 134,000, almost 20 per cent, then one realizes that the figures which have been released thus far indicate a further drop. This puts us on notice with regard to housing prices in Canada.

Then in the Toronto *Star* of July 1, I read that the N.H.A. rate has been increased from 7 per cent to 7¼ per cent. The headline of the article reads, "House costs up $840 as N.H.A. rate rises". Then the article continues:

It costs a Canadian homebuyer $840 more today than it did yesterday for a house financed under a government-insured mortgage of $18,000 over 25 years.

The hike—$33.60 a year—came within a whisker of being twice that much.

Costs are up because Central Mortgage and Housing Corp. last night boosted the National Housing Act interest rate from 7 to 7¼ per cent.

I would imagine the reason this was done was that the minister thought there would be an increase in housing.

Here are some of the comments which are pertinent to this increase:

A C.M.H.C. official in Ottawa said the increase would "hopefully" make N.H.A. mortgages attractive enough to stimulate lending—and building.

However, John McCulloch, C.M.H.C.'s Toronto manager, said money was so hard to find for any kind of investment the hike would probably not be effective.

He said mortgage money from conventional or private sources—usually trust and insurance companies—was already running between 7¾ and 8¼ per cent.

Reg Ryan, vice-president of Mortgage Insurance Company of Canada, said other investment areas—such as bonds—were too attractive for an increase in N.H.A. lending to occur soon. He said there is very little of this government-insured money being turned into mortgages in Metro.

M.I.C.C.'s Ryan said the demand for mortgage money is away ahead of supply and this means Canada is entering another painful, tight money period.

Harry Sadler, chief of Toronto Metro Home Builders Association, said this would likely mean higher house prices in the months ahead and a slowdown in building.

Builders are already predicting Canada will fall short of the 170,000 housing units expected by C.M.H.C. in the 12-month period which began June 1.

Donald Kirkup, research director of the Toronto Real Estate Board, blamed mortgage companies for contributing to tight money by holding back funds in anticipation of the N.H.A. increase.

There is one consolation though. It should mean some more money for mortgages but we fear there won't be as many takers because of the increase.

He said it was "sad news" for young families just starting out.

Kirkup said the average price of a new house in Metro is close to $30,000, up about $5,500 in one year and resales around $24,000, up over $2,000.

These are the comments with regard to the increase in the formula. Then, today I find in

the *Globe and Mail* that there is a further increase with regard to home improvement loans. This formula did not apply to home improvement loans which prevailed at 6 per cent. They are now applying that formula, and the interest rate in respect of home improvement loans will be 7¼ per cent.

We have a housing crisis in Canada and we have a slowdown in housing starts. We have the minister attempting to solve this problem by increasing the interest rate. We in the N.D.P. feel that this is not a proper solution, but that the solution should be to set up a federal ministry of housing and urban affairs, and to fix the rate of interest on N.H.A. mortgages at no more than 5 per cent. We also believe that, if necessary, the government should make more money available in order to have government participation in the building of homes with young families. If this was done I think Canadians would find an easing in this crisis and a solution to this problem.

Hon. John N. Turner (Registrar General): Mr. Speaker, I should like to apologize to the hon. member for the absence of the minister and the parliamentary secretary responsible for this department. On behalf of them and the government let me assure the hon. member that recent statistics indicate housing starts have picked up remarkably in recent weeks and months, and that we expect by the end of the year they will be higher than in the previous year.

I regret, as does the minister and the government, that interest rates are as high as they are, but I think the hon. member should reflect upon the reasons. These rates are not high because of arbitrary action, but as a result of a shortage of money and a severe demand on this continent for money. I am sure the hon. member is also aware that the federal money available through C.M.H.C. is greater than it ever has been, but that the demand has been increased sharply. Finally, I am sure he is aware that as a result of recent revisions to the Bank Act, money is not available for housing from the chartered banks.

The government is doing everything it can to increase available money, but the interest rates reflect the economic condition of tight money supply. This is prevalent throughout the western world, together with a shortage of capital. The situation results from an over employment of monetary resources and an excessive demand for the same resources.

Motion agreed to and the house adjourned at 10.19 p.m.

[The following items were passed in committee of supply this day]:

DEPARTMENT OF NATIONAL DEFENCE

1, 15, 20, 25, 30, 35, 45, 48, 50, 55.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

1, 5, 6, 8, 10, 15, 17, 20, 25, 30, 35, 40, 41, 45.

DEPARTMENT OF TRANSPORT

1, 2, 3, 5, 10, 15, 20, 25, 30, 35, 40, 50, 52, 55, 57, 60, 65, 70, 75, 80, 85, 90, L100, L105, L110.

HOUSE OF COMMONS

Friday, July 7, 1967

The house met at 11 a.m.

HOUSE OF COMMONS

TRIBUTES ON RETIREMENT OF MR. LÉON-J. RAYMOND AS CLERK

[*Translation*]

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, the Clerk of the house is discharging his duties for the last time today as he is retiring.

I have no doubt that all the members of the house will join with me in expressing our appreciation to Mr. Raymond for the outstanding and learned way in which he has performed his duties since his appointment to that important post in 1949.

He served his country for many a year, first as member of parliament and then, for 18 years, as Clerk of the house.

Allow me to express, in the absence of the Prime Minister (Mr. Pearson), our personal gratitude for his constant courtesy and untiring attention to administrative matters which are of such importance for the debates of the house.

[*English*]

Mr. Speaker, we all recognize that Mr. Raymond has served his country for a long time with great distinction; first, as many of us recall, as a distinguished member of this house and then, as we all know, for 18 years as Clerk of the House of Commons. The Prime Minister would like to have been here today to express his personal gratitude for the great contribution made by Mr. Raymond. It is my privilege in his absence to thank Mr. Raymond for his courteous attention to all of us and for the remarkable way in which, through his great knowledge of our rules and procedures, he has enabled us to carry out more efficiently the responsibilities entrusted to us by the people of Canada.

• (11:10 a.m.)

It is now my privilege to move a resolution, to be seconded by the right hon. Leader of the Opposition (Mr. Diefenbaker), which I am sure will meet with acceptance by all the members of this house. I move, seconded by the right hon. Leader of the Opposition:

> That the members of this house, desiring to record their deep appreciation of the long and distinguished services rendered by Mr. Léon-J. Raymond, Esquire, O.B.E., as Clerk of the House of Commons, and acknowledging the dignity and profound learning with which he graced his office, designate him as honorary officer of the House of Commons with an entrée to the chamber and a seat at the table on ceremonial occasions.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, this is an opportunity for all of us to pay tribute to one whose contribution to parliament has meant so much. Mr. Raymond has been the friend of all the members of this house.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I recall when he first came into the House of Commons as a member in 1945, and was re-elected in 1949. I remember his first days as Clerk of the House of Commons. I have recollections of the courtesy and innate modesty that have characterized him throughout, but I recall in particular the occasion in 1950 when as a member of the Canadian parliamentary delegation to the Empire Parliamentary Association meetings I visited Australia and New Zealand.

Mr. Raymond knows parliament both as a member and as a most distinguished Clerk. He has shown reverence for this institution, realizing at all times that unless the dignities and proprieties are maintained the institution cannot maintain the greatness of its traditions. The rules were his constant companions. He was guided at all times by the principle that while rules have to be made to maintain the operations of the house, they should not be interpreted in such a way as to curtail the rights of members.

As a student not only of parliament but of the law I am proud and happy to join in the resolution moved by the Acting Prime Minister. We shall hope that in the days ahead Mr. Raymond will enjoy health and happiness and that we will see him back on ceremonial occasions, filling with that dignity that has always been his a position that has added lustre to the parliament he has served.

Tributes to Mr. Léon-J. Raymond

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the members of this party desire to associate themselves most enthusiastically with the motion before the house paying tribute to the distinguished service which has been rendered to this House of Commons by Mr. Raymond. In his public capacity he has served this House of Commons exceedingly well. It is true that we follow the procedures of Westminster, but our procedures and practices have to be adapted from time to time to meet our particular needs. This requires the genius of understanding and interpretation, and this the Clerk of the House of Commons, Mr. Raymond, has displayed to a remarkable degree. He has discharged his duties in a manner that is a credit to this house. He has maintained the high standard and great traditions of the office he has occupied.

However, I should like to add a further word and that is to speak of his personal contribution to all of us who have had the privilege of sitting in this house. His unfailing kindness, his innate courtesy have made him the friend of every member of this house. This has been particularly true of new members, who felt that they could go to him at any time and get the benefit of his advice and encouragement. I think there is probably no topic that has come before this house in many a day on which there has been such complete unanimity as that of paying tribute to a very fine Clerk of the House of Commons, a very generous and kindly gentleman.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, for the French-Canadian group it is my privilege to represent in the house, it will be readily understood what joy it is for us to support the motion of the Acting Prime Minister (Mr. Martin) to confer the title of honorary officer of this house to such a man as Mr. Raymond who has given 18 years of his life as Clerk of the House of Commons.

Mr. Speaker, I feel that for us, a third party, particularly a new party in the house, we owe a personal debt of gratitude to Mr. Raymond for his warm and so understanding reception after our first election.

Mr. Raymond has always been also the first man for the new member to meet and from him we get our first greeting. For the second year member, Mr. Raymond has shown himself to be a valuable adviser, just as he was through the years for any member who sat in this house. Mr. Raymond has always been there to give us the necessary encouragement to fulfil our task.

[Mr. Diefenbaker.]

We feel Mr. Raymond has been a model of simplicity and dignity in the pursuance of his duties. His undisputed competence, due to his thorough knowledge of the two languages, makes Mr. Raymond the perfect model of the Canadian civil servant. Through his frankness and his charitable disposition, and particularly through his fairness, he has earned the confidence of all in this house.

For us and for those who come after us, I feel that Mr. Raymond will be an example to follow, and we wish him long and happy days. Rest assured, Mr. Raymond, that we will always be happy to meet you and to shake your hand.

• (11:20 a.m.)

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we wish on this occasion to join in expressing to Mr. Raymond our deep appreciation for the services he has rendered and to express our best wishes to him on this occasion when he is about to enter retirement.

Much has been said about the spirit of helpfulness and courtesy which has marked Mr. Raymond's attitude to the members of the House of Commons throughout the past years. Since coming to this house for the first time in 1953 I can certainly appreciate those sentiments because in my personal contacts with Mr. Raymond he has at all times evidenced a spirit of helpfulness and courtesy that made it easier to become acquainted with the house, its procedures and our responsibilities here.

Therefore, Mr. Speaker, it is with a great deal of pleasure that we in the Social Credit party support the resolution designating Mr. Raymond as an honorary officer of the House of Commons, with the attendant privileges that this resolution confers.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I should like to join in this formal parliamentary tribute to the retiring Clerk of the House of Commons. I should like to do this as government house leader, but more particularly for personal reasons. It is appropriate that we should acknowledge in this way the silent service of one whose counsel has played so important a part in the moulding of the practices and procedures of this house.

I know, as one who like most of us came to this house in awesome ignorance of its rules and practices, that I am grateful to Mr. Raymond for his great patience, his wise counsel and his friendly guidance along the

tortuous paths of parliamentary manners and mores. Under his guidance I have tried, as other members have tried, to understand the workings of parliamentary practice and procedures. I have observed the Clerk of the House in action at the table. As a result I have come to appreciate that a Clerk of the House of Commons must, in a sense, be a biblical paragon with the wisdom of Solomon, the patience of Job, the agility of David and the survival qualities of Jonah.

Some hon. Members: Hear, hear.

Mr. MacEachen: The Parliamentary Companion of 100 years ago described the Clerk of the Commons House of Parliament as one who holds an office of great trust and importance. The Canadian parliament has been particularly gifted in its choice of clerks, and Mr. Raymond has followed in the tradition of such names as Bourinot and Beauchesne. Perhaps, on this particular day, it would not be inappropriate for the Clerk to hear one last citation from Beauchesne, his favourite authority. I quote from Beauchesne's Parliamentary Rules and Forms, fourth edition, 1958, as follows:

> —a thousand ... questions have to be solved by the Clerk who may be consulted at any time by the Speaker and the leader of the house. In the midst of a debate, questions of order of all descriptions may be raised and the Clerk must be ready to supply authorities for a decision—
>
> During a crisis, when the government and the opposition are using all the strategy possible under the rules of the house, the leaders are in continuous consultation with the Clerk with respect to their motions and amendments. A wrong interpretation of the rules may then lead to the most dangerous miscalculations, and the Clerk has to be very sure of his ground when he thus advises the men whose political future must be decided on the floor of the house.

I am sure Mr. Beauchesne was not simply attempting to justify his own status when he maintained that the Clerk's executive duties are absorbing and keep him busy the whole year round. He comments as follows:

> If a member of the house loses his railway transportation card during the summer, as it sometimes happens, the Clerk has to issue another one under a new number and send out forty three notices to the railway companies.

In conclusion, I am sure the house would wish the retiring Clerk many years of pleasant contemplation and other restful pursuits in his well earned retirement. We hope, as well, that from time to time he will take advantage of his entrée to this house so we may still benefit from his guidance and experience.

Some hon. Members: Hear, hear.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I do not wish to multiply words, but as one who has enjoyed Mr. Raymond's friendship for the 22 years since he first entered parliament I wish to express my own appreciation of the tremendous contribution he has made to the House of Commons of Canada. The things that have been said by those who have already spoken have been said with deep sincerity, they have been said on behalf of all of us, and they are all true. Mr. Raymond has been a true friend to all members of the House of Commons. He has exercised his responsibilities with that care, integrity and impartiality that are so necessary to the important office that he has held for the past 18 years.

Not only has he been a friend to us all; not only has he worked diligently; we have known that his feeling for parliament has been like that of his distinguished predecessors. We are happy to associate his name with those of Bourinot and Beauchesne on this historic occasion.

• (11:30 a.m.)

I happen to remember Mr. Raymond's first speech as a member of the House of Commons. I remember it because I was following him in the debate that day, and I recall the thoughtfulness of his address to us on that occasion. I went to the library this morning to look it up again. My memory of it was correct; it was a thoughtful speech on the problems facing the world and on the various problems facing Canada, economic and social, as well as the need to build a united country on the basis of our two founding races.

Although it was made many years ago, the thoughts contained in this speech are still very timely. There is one paragraph in it which I should like to put on record again at this time. It is to be found at page 70 of *Hansard* for March 19, 1946, at which time the House of Commons was debating the address in reply to the speech from the throne. As I say, Mr. Raymond had dealt with various problems which were facing the world and facing Canada. He had built up quite a picture of the difficulties which had to be met. Then he said this:

> The following statement may appear rather childish, Mr. Speaker, but I am convinced that all our problems can be solved provided we base their consideration on a spirit of mutual trust. However, this sentiment can only be awakened, nurtured and matured provided justice and charity govern the consideration of all these problems.

When Mr. Raymond uttered those words he had no notion, of course, that a few years

later he would be the Clerk of the House of Commons. But I draw attention to the three characteristics he emphasized, mutual trust, justice and charity. These are the characteristics which have marked his régime as Clerk of the House of Commons and which have helped to make his services to us so helpful and so successful.

I join with others in expressing warm personal greetings to Mr. Raymond. I wish him health and happiness in the years ahead. It is perhaps unfortunate that his position does not enable him to say a few words from the floor of the House of Commons; he is probably glad he cannot. But may I add the wish that in the years of retirement ahead he will have time to write a book and enrich our knowledge of the practices of parliament.

Some hon. Members: Hear, hear.

Motion agreed to.

TRANSPORT

CHAMPLAIN WATERWAY—TABLING OF INTERNATIONAL JOINT COMMISSION REPORT

Hon. Paul Martin (Secretary of State for External Affairs): I beg to table in French and in English copies of the report of the international joint commission on the improvement of the internal Champlain waterway for commercial navigation.

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

Some hon. Members: Agreed.

FINANCE

DEPOSIT INSURANCE REGULATIONS—TABLING OF CORRESPONDENCE WITH QUEBEC

Hon. Mitchell Sharp (Minister of Finance): With the leave of the house I should like to table correspondence I have exchanged with the prime minister of Quebec—the letter I wrote to him on June 22, and his reply to me of June 30—relating to deposit insurance.

[*Translation*]

Mr. Speaker: Will the house allow the hon. minister to table these papers?

Some hon. Members: Agreed.

UNITED NATIONS

TABLING OF REPORT ON WITHDRAWAL OF EMERGENCY FORCE

Mr. Gérard Pelletier (Parliamentary Secretary to Secretary of State for External Affairs) tabled the report of the secretary general on the withdrawal of the United Nations emergency force, in both French and English.

[*English*]

Mr. Speaker: Has the parliamentary secretary consent to table these documents?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

MOTION FOR ADJOURNMENT TO MONDAY, SEPTEMBER 25

Hon. A. J. MacEachen (Minister of National Health and Welfare) moved:

That the house adjourn immediately following the giving of Royal Assent to the supply bills referred to in paragraph (5) of the special order made Monday, June 26, 1967, and to any other measures, and that the house shall stand adjourned until Monday, September 25, 1967, at 2.30 o'clock p.m.; provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with Her Majesty's government, that the public interest requires that the house should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the house shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker shall act in his stead for the purpose of this order.

Mr. Speaker: The hon. member for Winnipeg North Centre.

An hon. Member: Smile, you're on candid camera.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am made speechless by that blinding flash.

Mr. Pickersgill: Hear, hear.

Some hon. Members: Hear, hear.

Mr. Knowles: May I assure the Minister of Transport who led that round of applause that I have tremendous powers of recovery when it comes to making a speech.

Mr. Speaker, I am opposed to one aspect of the motion which the leader of the house has just moved, and if I cannot persuade the house to accept an amendment to it I shall have to oppose the motion for the reason I shall specify.

First may I make it clear that I am not opposed to the idea of parliament taking a

recess. Editorial writers in some of our newspapers notwithstanding, I think parliament should take a recess, that we should have the benefit of being back among our constituents and other benefits which flow from a few weeks away from Ottawa. But I object as strongly as I can to the idea of our breaking for a summer recess without dealing with the question of the pensions of retired civil servants. The motion now before us has been worded in such a way as to make it impossible for this question to be dealt with before we recess.

• (11:40 a.m.)

I wish to point out that this motion is somewhat different from the usual motion which is made to provide for a break in a session of parliament. On occasion such a motion has been made without notice, requiring unanimous consent. The government was quite right in anticipating that such consent might not be forthcoming today, for I would not have agreed. On other occasions when a motion has been put on the order paper to provide for a recess there have been consultations among the house leaders. Let me make it clear, Mr. Speaker, that there were consultations with regard to the date that we are to come back, namely, September 25. I for one agreed to that date, so I am not now objecting to it. But unlike other occasions I was not shown the form of this motion until I saw it on the notice paper attached to yesterday's *Votes and Proceedings.*

When I look at the motion I note it is drafted in such a way that once the government has arranged for the Deputy to His Excellency the Governor General to come and give royal assent to the supply bills we passed last night, nothing further can be done in this House of Commons. I object to this way of doing it. I object to our not being consulted as to the form of this motion, and I object very strongly to the government's performance with respect to the question of increasing the pensions of retired civil servants.

As I indicated a moment ago, I intend to move an amendment to this motion which would accept the fact of adjourning, which would accept the fact of a recess until September 25, but which would require that before adjourning we deal with the question of the pensions of retired civil servants.

An hon. Member: Blackmail.

Mr. Knowles: There is an interjection from over there, but I am not sure that I understood it.

A lot has been said today about the workings of parliament. One of the ways in which parliament works best is when there is the keeping of promises, when there is a carrying out of things that have been understood. This question that I am talking about is not only one that has been before us in parliament in a general way for more than two decades but it has been before us in a specific way for more than a year.

I do not intend to go into all the details because I am citing this only in support of my opposition to the motion, but the fact is that after a committee study a unanimous recommendation was made on May 8 this year that the pensions of retired civil servants be increased. We have been assured a dozen times since then, on the floor of this house, that the matter was under active consideration. One cannot talk about the things one is told outside the House of Commons, but one knows what one reads in the press and the indications were clear a few weeks ago that something was going to be done before this session broke. This commitment was very definite, but now we come to the time of recess and nothing is being done.

The President of the Treasury Board (Mr. Benson) is trying to tell us it is a complicated issue. I cannot accept that as an excuse for not acting on this matter. The President of the Treasury Board has as his deputy minister one of the most accomplished individuals in the public service of Canada, a man who overnight could draft a proposition to deal with this matter. As a matter of fact it was dealt with several years ago during the régime of the previous government, and I suggest there has been plenty of time to bring before parliament a measure dealing with the pensions of retired civil servants.

To argue, as the President of the Treasury Board does, that the government across the way has done more for civil servants than anybody else, is nonsense. It is arguing by assertion, and it does not meet the point that nothing is being done in this part of the session about the pensions of retired civil servants.

The plea that is made to me, both on the floor of the house and by Liberals out in the hall, is that I should wait until fall. It is going to be done, they will get the pension increases and they will be retroactive, so what am I complaining about. Mr. Speaker, when people have waited for years, when they have waited for months, when for weeks they have had reason to believe something would be done,

then to ask them to wait until fall is unfair and unkind on the part of the government.

I know, if we are asked to wait until fall on this issue, that there will be other matters that will have priority. We would not reach the matter until October or November, and these people would not get their increases until next December or January. I know further, Mr. Speaker, that unless action is taken now we have no guarantee that action will be taken in the fall.

Even yesterday when the President of the Treasury Board was asked questions he did not firmly say it will be done. He did not firmly say any increases will be made retroactive. Rather, he expressed the hope, the personal belief, that it ought to be done. Anyone can read the signs. It means that this matter has not yet been approved by the government and that the whole question is not only being delayed but is in jeopardy.

I submit, Mr. Speaker, after the government's action in referring this matter to a special joint committee, after that committee's thorough consideration, after that committee making a unanimous recommendation that increases be made, and in view of the fact something like this was done a number of years ago, it is unthinkable for action not to be taken on this issue.

To argue that it sets a pattern for pensions in other areas is fine. Of course it does. It is time we were setting such a pattern. It is time the government of Canada acted as a good employer and gave a lead in this matter by facing up to the fact that retired people have the right to be able to live in retirement on incomes that will expand and grow as the cost of living increases and as the standard of living improves. It is no argument against taking action in this field to say it is setting a pattern that will have to be followed in other areas. Of course it will set such a pattern and I want that pattern to be followed.

What I am concerned about is that a government which led us to believe that action would be taken, and has led us to believe that for months, is now saying, "Oh no, you cannot do anything about it before the summer break. We have got to go home some time today and we will deal with this matter in the fall." I regard this as callous, as most unfair, and as quite unnecessary. In my view parliament should stay here long enough to deal with this issue. I think this issue could be dealt with today, but under the government's motion we will not be able to do so because just as soon as we get word from the Senate that they have passed last night's supply bills there will be a letter read from the Chair to the effect that the Deputy to the Governor General is over there, and so the guillotine will fall and we can deal with nothing further.

If it is necessary to stay another day or two I think this parliament owes it to our retired civil servants and owes it to our retired people generally to do so. I urge that there be an end to the kind of excuses that the President of the Treasury Board has been giving. I urge that there be an end to these appeals from members opposite that some of us be patient and wait until the fall. I say that if we wait until fall and people get these increases in December or January, some of the pensioners involved will not get them. Some of them will have died in the meantime and others will suffer for the want of whatever increase they are going to get out of the government's promise.

So, Mr. Speaker, I say again that I quite approve of the idea of this parliament taking a recess. I was in on the consultation as to the date of our return, and I support the date of September 25, but I do not agree with our leaving now without dealing with this issue. I contend it could be dealt with today. That would be fine, but if it cannot be dealt with today we should stay here until it is dealt with, no matter how long it takes.

Therefore to bring this about, to make the motion one that is acceptable and more responsible I move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

> That the motion be amended by inserting therein, immediately after the words "and to any other measures," the following words: "including a measure respecting the pensions of retired civil servants,"

You will note, Mr. Speaker, that if my amendment is accepted and these words are inserted the first part of the motion as amended would read as follows:

> That the house adjourn immediately following the giving of Royal Assent to the supply bills referred to in paragraph (5) of the special order made Monday, June 26, 1967, and to any other measures, including a measure respecting the pensions of retired civil servants, and that the house shall stand adjourned until Monday, September 25, 1967, at 2.30 o'clock p.m.;—

• (11:50 a.m.)

I need not read the rest of the motion because it is only that first part which is affected by my amendment. I contend that the good name of parliament, as a responsible body which does not fool people, which does not build up their hopes and then let them

down, is at stake in this question. We should not break for our summer recess until we have dealt with the matter of increasing the pensions of retired civil servants, and that is the purpose of my amendment.

Mr. MacEachen: Mr. Speaker, I wish merely to raise a point of order in respect of the amendment proposed by the hon. member for Winnipeg North Centre (Mr. Knowles). The amendment introduces into the proposal before us a matter which is certainly outside the scope of the proposition itself. The motion deals strictly with the ending of this part of the session and the resumption of the session in the fall. This amendment introduces a declaration of policy in the words following "any other measures", respecting the pensions of retired civil servants. If the amendment were permissible it would be possible for any member to add to it a series of further legislative requirements, thereby obliging the house to take further actions other than those required by the motion which are concerned strictly with the adjournment and resumption of the session. On procedural grounds I submit the amendment is irrelevant to the motion and cannot be entertained or put to the house.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am surprised at the attitude taken by the minister. No one has a monopoly of sympathy for retired civil servants. Members on this side have continually pressed for action in this regard. The government gave an implicit undertaking, at least it could be so interpreted, that action would be taken. I am surprised that the minister now repudiates, by raising a technical objection, the promise that retired civil servants would receive a measure of consideration which the government has not given. The minister has said that parliament would be placed in an impossible position if this amendment were passed. Let me point out that a committee of both houses unanimously supported this measure some months ago.

Mr. Douglas: Hear, hear.

Mr. Diefenbaker: There can be no justification whatsoever for the argument raised by the minister. However, it will be supported by those members who support the government. They will by their support be joining together in repudiation of the undertaking of the government, reinforced by—

Mr. Speaker: Order, please. I hesitate to interrupt the right hon. Leader of the Opposition, but I think I should remind him and other hon. members that the motion has not yet been put to the house. We are considering the point of order raised by the Minister of National Health and Welfare. I suggest that our discussion should be limited to that point of order.

Mr. Diefenbaker: Mr. Speaker, I do not know how you separate the wheat from the chaff, the chaff having been placed before the house by the minister. That is the difficult position in which we are placed. When the minister advanced this argument I took it that he was not serious about it, and that this was just another roadblock put forward by the government to delay action.

Miss LaMarsh: He is a better lawyer than you are.

Mr. Diefenbaker: I think everyone is pleased to have an adjournment in sight. My own opinion is that parliament undermines itself when it sits as long as it has in the last few years. In this way it destroys itself. I cannot understand why the adjournment is until September 25. I could understand it if it was until September 18 because that is my birthday. An adjournment until September has some significance. I would ask Your Honour not to let the house be hogtied by a technical argument such as the one advanced by the minister for the purpose of bailing the government out of difficulty.

Mr. Knowles: Mr. Speaker, the Minister of National Health and Welfare, as government house leader, has raised a point of order. It is a very clear and simple one, and I suggest that the answer to it is also very clear and simple. I ask Your Honour to note the words immediately preceding that point in which I suggest we insert the words of my amendment. Those words are "and to any other measures". The minister suggests that this is a restrictive motion and relates merely to royal assent to two supply bills.

The government in its own motion put in the words "to any other measures". What the minister has said is quite correct. Anybody could bring in another measure and be within the four corners of that phrase. I am not adding something new by my proposal, and I suggest it is within the four corners of that phrase.

Mr. MacEachen: May I ask the hon. member a question?

Mr. Knowles: Surely.

Mr. MacEachen: Is not the limitation here related to measures which are ready for royal assent? The effect of the amendment by the hon. member for Winnipeg North Centre is an instruction to the house to initiate and pass a measure, which is totally different. Surely this is not related to the motion which would require the house to deal with measures ready for royal assent.

Mr. Knowles: Mr. Speaker, let me suggest to the minister that had he wanted to present that kind of a motion he should have consulted with his experts so that it would say what he intended it to say. In fact the motion refers to "any other measures". It does not refer to any other measures that are ready for royal assent. Nor does it refer to any other measures that are now before the house. It only refers to "any other measures". The minister is now trying to tell us what was in his mind. This is the same argument we have heard from him before in respect of the medicare bill, the pension bill and so on.

You must be guided, Mr. Speaker, not by what is in the minister's mind but by the words of the motion before us and the words of the amendment I have proposed. I submit that the words in the motion are "and to any other measures". The minister says that if my amendment was accepted and passed, any other measure could be proposed. He says it is an instruction to the government. In the strict sense of my amendment, it is an instruction to the house to sit here until we have dealt with this other measure. It would then be in the hands of the government to bring in that measure.

Mr. Byrne: Blackmail.

Mr. Knowles: That is the second or third time today I have heard the word "blackmail" uttered by someone on the other side of the house. That is the answer of Liberal members to the 45,000 retired civil servants and widows who have expected this government to keep its promises. This is their answer to my effort to get the government to keep its promise. I submit that is a word that ought not to be used, certainly not by members on the opposite side.

• (12 noon)

Surely parliament, not the government, is the master of its times of sitting and when it is to be here. Surely parliament has the right to say that we shall stay here until certain things are brought before us. If we cannot make the horse drink, at least we can lead it to the water.

I suggest that the amendment is perfectly in order. When I was looking at the motion and trying to draft an amendment I felt I should call the Minister of National Health and Welfare and thank him for having worded the motion in such a way that there was no problem. I repeat that the motion says without any qualification, that we shall stay here until we have received royal assent to two specific bills "and to any other measures", so I identify one such measure, namely, a measure respecting the pensions of retired civil servants.

I submit that the amendment is perfectly in order and that Your Honour should allow it and should allow the house to decide its own affairs so far as our times of sitting are concerned. While the debate has been going on I have been looking at the citations in Beauchesne regarding amendments. There is citation 201 on page 168, the gist of which is that a motion may be amended by leaving out certain words in order to insert others, or by inserting other words. My amendment does that. There is, of course, citation 203(1) which provides as follows:

> —every amendment must be relevant to the question on which the amendment is proposed.

I submit that what is before us is a motion having to do with the times of sitting of the house, in direct relation to how much business we shall pass. I am proposing that the "other measures" which the government says should be finalized before we leave here should include the specific one I have named. I contend that my amendment is in order.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I should like to say just a word in direct reply to what the hon. gentleman has said. I do not think there is any substance in the argument he used about the words "other measures", but if there is it would clearly indicate that his amendment is redundant. If "other measures" would include this measure, then it is quite unnecessary to put it in. But of course it is quite obvious that it does not have that significance at all and that what the hon. gentleman is seeking to do by his amendment is to do indirectly what he has no right whatever to do directly. There is no motion and no notice of motion on the order paper of this house—

Mr. Knowles: Shame.

Mr. Pickersgill: —for this measure.

Mr. Knowles: Shame.

Mr. Pickersgill: The hon. gentleman can call "Shame" all he likes. He poses as a great authority on the rules.

Some hon. Members: Hear, hear.

Mr. Pickersgill: He knows he can never win an election and sit on this side of the house, and he is trying indirectly to substitute himself for the government—and to substitute his motion for the message from the crown that would have to precede any such measure which the government alone, under our parliamentary system, has the right to bring forward.

Not only is the hon. member doing that but he is seeking by a procedural motion to direct this house in advance that it must pass this bill which we have never seen and whose contents we do not know anything about. The hon. member is seeking to say that the Senate must also pass this bill because he says we are not to adjourn until the bill is ready for royal assent.

I suggest that not only is the hon. member vastly expanding the motion but he is seeking to do indirectly what he knows perfectly well, as a private member who has never been able to get enough confidence in this country to sit on this side of the house, he could never do directly.

Some hon. Members: Hear, hear.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the Minister of Transport always manages, under the guise of dealing with a point of order, to bring in all the political connotations he possibly can.

Some hon. Members: Oh, oh.

Mr. Douglas: If there is anyone who ought not to be talking about the confidence of the country, it is a government that is now trying to find refuge behind the rules of the house to cover up the fact that they have betrayed a promise they made to the retired civil servants of Canada.

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

Mr. Speaker: Order, please. I understand that the minister wants to rise on a question of privilege. I have the impression that we are now slowly slipping into the debate which might take place, and which I assume will take place, either on the amendment proposed by the hon. member if it is accepted and, if not, on the motion itself. The motion is, of course, a debatable one and hon. members have at least this day to debate it. Therefore I suggest that we try to limit our consideration at the moment and follow the excellent example of the right hon. Leader of the Opposition a moment ago. Having made these comments, I recognize the Minister of National Revenue on his question of privilege.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): My question of privilege is this, Mr. Speaker. It has been implied several times that something would be done by a specific date. This is just not the case, and hon. members opposite know it as well as I do. The committee reported back in May. The government has been considering the matter. I have stated that it is under active consideration and that I hope action will be taken in due course.

Mr. Diefenbaker: Hope springs in due course.

Mr. Benson: But at no time has the government promised that action would be taken before the house adjourns.

Some hon. Members: Hear, hear.

Mr. Douglas: Mr. Speaker, the fact is that a promise was made. Whether a date was attached to it or not, the time has come for the promise to be implemented. These promises are made with an indefinite date in mind which never seems to arrive. They are the Hamlets of Canada—tomorrow and tomorrow and tomorrow. But tomorrow never comes.

I agree with Your Honour that we are getting off the point of order, but I can assure Your Honour the debate started to slip in that direction before I rose to my feet. May I deal with the point of order raised by the Minister of Transport. It is with reference to the phrase "and to any other measures." If the house has the right to discuss any other measures before the adjournment, then surely the house also has the right, in the control of its own business, to indicate what one of those measures should be. The item which the hon. member for Winnipeg North Centre is seeking to have the house delineate as an item for discussion prior to the adjournment for a summer recess is that having to do with pensions for retired civil servants. It seems to me that since the government itself put this phrase into the motion the house has the right now to indicate what item it would like to discuss prior to the adjournment.

Mr. Speaker: Order, please. I thank hon. members for their assistance to me in ruling on the very interesting point of order raised

originally by the Minister of National Health and Welfare. I have had the usual consultations in the light of the advice given to the Chair and I am now in a position to render a decision, or at least give an expression of opinion.

It seems to me there is something to what was said by the Minister of National Health and Welfare when he suggested that it is a new proposition which the hon. member for Winnipeg North Centre seeks to introduce in the consideration of the motion. To my mind this amendment goes even further in that to a considerable extent it is a substantive amendment raising an entirely new question and would require notice.

However, there is some doubt on this point and I might have tended to accept the amendment if there were that objection only. There is another objection which is more serious and which I take the liberty of bringing to the attention of hon. members. I would refer hon. members to Beauchesne's fourth edition, citation 260(1) which reads as follows:

> The tendency has been in the Canadian House of Commons, for the past 25 years, to rule out all motions purporting to give the government a direct order to do a thing which cannot be done without the expenditure of money. Our Journals are full of precedents to this effect.

To my mind this citation is exactly on the point, and because of this I must rule the amendment out of order.

• (12:10 p.m.)

Mr. Douglas: Mr. Speaker, I should like to say just a word on the motion. The members of this party are extremely disturbed that the house should propose to adjourn for a summer recess without dealing with the matter which has been raised by the hon. member for Winnipeg North Centre (Mr. Knowles). The fact that the retired civil servants have over the years seen the cost of living rise annually, which has meant a diminution in the purchasing power of their pensions, has caused great distress among them, and this distress has not just been felt in the last two or three years or the last two or three months. The government has been in office for over four years.

As my colleague said, the previous government dealt with this matter and the present government, fully aware of the distress which has been caused among the retired civil servants, claims to have been studying the matter. It was referred to a joint House of Commons and Senate committee which put forward a unanimous recommendation for action. There have been months of delay. We have been told that the matter was under active, serious and urgent consideration. Consideration has been given to it every time but no action is ever taken.

We had hoped that in view of the fact that the government had plenty of warning it would have brought in legislation to deal with this matter before the house recesses for the summer. The complexity of this legislation is no excuse. There have been plenty of precedents for this legislation and there has been plenty of time to deal with this matter. If the ministers are so busy with other matters that they think this one is less important and can be delayed, then they are wrong because the Canadian people, who have a high regard for civil servants, feel that they have an indebtedness to them and owe it to them to see that they do not suffer by virtue of the rising cost of living and that their pensions should be adjusted to meet the rising cost. Since the government has completely failed to do this, we think that the house has no right to recess until this great injustice is remedied.

Since the government refuses to act, we have no other recourse but to vote against the motion to adjourn, and not because we do not want to see the house adjourn because we recognize the need for members to return to their respective constituencies. But surely no recess is more important than the passage of a measure to relieve the distress of the retired civil servants of this country.

When the hon. member for Kootenay East (Mr. Byrne) speaks about blackmail because we are trying to get the government to live up to its commitments, I want to tell him that the people of Canada will not consider it blackmail and that anybody who can get this government to keep its promises is doing a public service.

Some hon. Members: Oh, oh.

Mr. Douglas: When the hon. member for Kootenay East says it is blackmail of the taxpayers, I challenge the government to ask the taxpayers of Canada whether they want to upgrade the pensions of the retired civil servants of this country. Let the government not blame the taxpayers. The government is not covering up for the taxpayers; it is trying to cover up for its own inability, inefficiency and failure to grapple with a problem whose solution is long overdue.

Mr. Churchill: Will the hon. member permit a question? Now that he has displayed his

complete lack of confidence in the government, would he inform the house why he and his party have so frequently sustained the government by their votes during the last two years?

Mr. Douglas: Mr. Speaker, I would remind the hon. member for Winnipeg South Centre that many times we have moved motions of non-confidence in the government which would have been passed had it not been for the absenteeism of members of the official opposition.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am sure that all of us in the house would want to welcome the hon. gentleman who has just spoken back to his seat, particularly when he knows now that his leadership has been confirmed. However, some of us were a little mystified by the conclave which took the hon. gentleman away from the house. We know now that he is the leader of the reactionary group in his party and that the forces of liberalism which sought to assert themselves at the convention were regrettably unsuccessful.

Mr. Knowles: Now we know why the external affairs of our country are in such a mess.

Mr. Martin (Essex East): My hon. friend drew a picture of the government leaving business unattended. That reminds me of what I saw on page 7 of the *Globe and Mail* this morning indicating that the N.D.P. convention broke up without dealing with the resolution on a guaranteed annual income.

Under the rules of the house it is not possible to challenge the sincerity of an hon. member, and I certainly would not challenge the sincerity of my hon. friend when he says that we must not adjourn today unless this very important matter is dealt with. My hon. friend, however, should not seek to convince any of us that he is really serious in that proposal. I suggest there is no one who would be more disappointed if we did not adjourn today than my hon. friend who, after his leadership race at the convention, is now looking forward with justification to a well earned rest.

The Minister of National Revenue (Mr. Benson) has dealt with this matter. He is the minister in charge of it. Yesterday he replied to the hon. member for Carleton (Mr. Bell) and pointed out the government's intention with regard to retroactivity. He has recognized, as has the Prime Minister (Mr. Pearson) on a number of occasions, the concern and the interest of the government in this problem. As my hon. friend knows, this matter was considered very carefully by a joint committee of the house in the last session of parliament. No less than eight meetings were held at which evidence was received from 21 witnesses. A report was filed by that committee late this spring. It contained certain recommendations which are now before the government.

In the light of what the Minister of National Revenue said yesterday, it is not fair for my hon. friend to make the suggestion that he made a few moments ago. No government in this country has done more by way of old age retirement plans for civil servants and others than has the government represented by the party which sits to Mr. Speaker's right.

Mr. MacInnis (Cape Breton South): Whom does the minister have in mind, Judge Landreville?

Mr. Martin (Essex East): It is not a fair argument to suggest callousness on this side because we have all agreed on a program of adjournment. It is not fair to suggest that because the government is a participant in the adjournment proposal it is callous and uninterested in the economic stress which faces a section of the population of our country. The government is considering the report and it will give it the consideration which has been urged on it by the committee which gave the matter such thorough study. We on this side of the house are as concerned about the plight of retired civil servants as is my hon. friend or anyone else in the house.

In conclusion I want to say that I speak with friendship and affection for my hon. friend. As the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) said, my hon. friend has been busy. He has been too busy to follow what has been going on in the house. I am sure we all understand that because many others have preoccupations. My hon. friend has not been allowed the opportunity of knowing what we have been doing here because, as the hon. member for Nanaimo-Cowichan-The Islands said in Toronto on Thursday, my hon. friend has been preoccupied.

• (12:20 p.m.)

Mr. Diefenbaker: Mr. Speaker, I am one of those who greatly admire the ingenuity of the Secretary of State for External Affairs (Mr. Martin). He can produce a smokescreen at

any time. He has done so today. The aspersions he has cast on his allies in the New Democratic party do not indicate that appreciation of good things of which the minister is usually purported to have a monopoly. He said that the New Democratic party had gone right. Well, as I read what they had done I felt they had adopted Walter Gordon, the President of the Privy Council. They adopted him and it began to look to some of us as though a future alliance was being built up, if not in fact, then indeed in name. This reminds one of the old song, "Walter, Walter, Lead Me To The Altar."

All these things are indications. The Canada Development Corporation has a new name, the Canada resources corporation, but behind in the shadows standeth Walter keeping watch on his own. I had hoped that the alliance of the last several years between the socialists and the neo-socialists might lead to the culmination—

Mr. Starr: They are going to have more meetings.

Mr. Diefenbaker: —of a happy reunion. Today they are just playing with one another.

I was amazed at the argument advanced by the Secretary of State for External Affairs. It had all the clarity that he normally exhibits when answering questions on foreign affairs. He said his heart bleeds for the retired civil servants. He referred to their economic distress. He recognizes the need and he feels, with all his heart, that something should be done. But when he is asked to do something he increases the salaries of the highly paid civil servants. He multiplies those increases and forgets those who were retired years ago and who today, he admits, are living in economic distress. This government has been recreant. The same situation prevails in other fields to which I shall not refer.

Mr. Martin (Essex East): May I ask my hon. friend a question, a very kind question? Why did my hon. friend not act in 1962 when I asked him to do so?

Mr. Starr: What have you been doing in the last five years?

Mr. Diefenbaker: Interruptions of that kind result in no detour on my part. I say to the government, you have failed to act. You have deceived parliament and the retired civil servants. Now you say, "Give us a little more time to continue the deception. Next fall we may act; we are going to do something." The President of the Treasury Board (Mr. Benson) said, "We hope to do something." Let him give an undertaking now. What are you going to do? Let us have none of these hypothetical promises and nebulous excuses. They say they are working on it. The very countenance of the Minister of National Revenue indicates how deeply he is thinking about this subject. Can he not come up with an opinion? Does he not agree with the committee that was composed of members from all parts of the house? Is it so difficult? Why is there this delay? It is simply that this government is playing with the retired civil servants and intends to continue to do so.

Mr. Benson: Mr. Speaker, I should simply like to congratulate the right hon. Leader of the Opposition (Mr. Diefenbaker) upon what may be his last speech in that position in the house. I hope that in our concern, and everyone else's concern for retired people, we will also consider retired leaders of the opposition. With respect to our position—

Mr. Diefenbaker: That is rather high class wit.

Mr. Benson: —with regard to pensions for retired civil servants, I should like to point out that there was an adjustment made in 1958 by the government led by the Leader of the Opposition. I should like to point out also that there was no further adjustment made from then until 1962, by which time he ceased to form the government. I should like to point out further that there was a deficit of hundreds of millions of dollars in the superannuation account when the hon. gentleman left the government. This matter was referred to a committee—

Mr. Diefenbaker: Haven't you got a surplus today?

Mr. Benson: —which indicates the deep concern of this government for retired civil servants. My hon. friend says the matter is a rather simple one. It is stated that the committee has reported, so we should simply come up with a proposition, give it to the house today and that would be the end of it. I should like to assure him that the matter is not as simple as that. This government for the first time in history, when it passed the Canada Pension Plan and the amendment to the old age pension, attached a cost of living index to them. This was new ground in Canada. I should like to point out that to my knowledge none of the labour unions in

Canada has a cost of living index attached to their pension plans.

When we reach a decision on this matter, if it is to be a permanent solution as hon. members opposite have suggested, then perhaps there must be some sort of cost of living index attached to it. This is not a simple matter. The worst cases of retired civil servants, indeed the worst cases of all pensioners throughout this country, have been taken care of through the supplementary old age pension plan which guarantees every older Canadian, whether or not he be a civil servant, a minimum income of $105 per month when he becomes pensionable. This pension has the cost of living index attached to it.

Very careful consideration has been given the report of the committee. I have assured hon. members in answering their questions that the whole matter is being given careful consideration. We intend to continue this consideration. Our course of action will be announced in the fall. I have said publicly and privately what my own hopes are in connection with this matter, but it is up to the government to make a decision on the specific plan that will be brought forward. We should not make a decision that will give somebody $25 and somebody else $5. This is not the way to solve this problem. It has to be solved in a way that will prevent its recurrence every few years, as happened under the Leader of the Opposition when action was taken and then nothing happened for the next four years. I believe the retired civil servants got behind relative to the cost of living at that time as well.

Mr. Douglas: May I ask the minister if the government had not given any consideration to a formula prior to receiving the report on this matter from the joint committee of the house and the Senate?

• (12:30 p.m.)

Mr. Benson: Mr. Speaker, the government has given consideration to many formulas, including the formula used in 1958 which we deemed not to be appropriate as a method to solve this problem finally. We are continuing our consideration of this matter but it is not quite as simple as my hon. friend tries to point out. People are receiving pensions from the civil service having worked for varying periods of time. One could argue that if one made a flat rate adjustment of some sort and somebody receiving $110 a month received $125 or $135 a month, that person may have worked for the civil service for only a very short period but would be treated in the same way as long-term employees, which would be unfair. It is a complicated matter—

Mr. Speaker: Order. I do not want to interrupt the minister but I think I should take the liberty of reminding all hon. members who are taking part in this discussion that contributions to the debate must be, to some extent at least, relevant to the motion before the house. I assume it is in order to refer to the pensions of retired civil servants, but remarks should be related to the question as to whether or not we adjourn. That is the question which is before the house.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I feel it is very important that a number of us say something on this matter. There is no monopoly in this house, certainly none on the other side, when it comes to diverting attention away from the real issue that is under discussion this morning. That issue, as Your Honour has just pointed out, is whether or not we adjourn or take time off—I do not call it a holiday because most of us know better than that, though it will provide a change of scene and some respite for us—before we deal with the pensions of retired civil servants.

The Secretary of State for External Affairs (Mr. Martin) has had so many years of practice at covering up that he has tried to cover up this matter with a very entertaining diversion about the recent convention held by our party. Other diversionary tactics have been tried. But the fact remains that this matter must be discussed now and we must decide whether or not this government is falling down on its duty by not dealing with the pensions issue before we adjourn.

The Minister of National Revenue (Mr. Benson) indicated that the government could not in the last five minutes bring in a pension plan, or he indicated that the government should not be expected to do that. I suggest there is no validity to that argument. This matter has been under discussion for a long time indeed.

All I want to do at this stage is to adduce the evidence of a witness, one not from our group but one that speaks for a great many people across this country. There are many other witnesses of this type. I want to quote an editorial which appeared in the Vancouver *Province* on June 24, 1967. As you know, Mr. Speaker, the Vancouver *Province* does not belong to our party. It is not influenced by our party; neither does it give credit to our party unless that credit is very dearly earned

indeed. In dealing with the question of retired civil servants' pensions, the Vancouver *Province* has this to say in an editorial:

> The New Democratic party has sound reasons for threatening to keep parliament sitting until legislation is introduced to increase the pensions of retired civil servants.
>
> In view of the rising cost of almost everything, the tiny pensions given many former civil servants are a national disgrace.

I picked up a paper this morning, Mr. Speaker, and read that the cost of living index is up once again. The cost of food is up a full percentage point and the cost of clothing, rent and other essentials is again up, showing a steady rise. The editorial continues:

> Finance minister Sharp last March disclosed the pension levels of Canada's 30,922 retired civil servants. At the lower end of the scale, 458 draw federal pensions of less than $20 a month.

Pausing there, Mr. Speaker, may I say that these people have given their lives to this country by working in the civil service. I think it is an insult to suggest that these people are looked after by the addition of the old age security supplementary pension to their income. We are insulting our retired civil servants by failing to look after them better than this. We are also insulting the old people of this country by offering them this sort of pension. The article goes on:

> At the higher, 2,382 get allowances of $300 or more a month.

This is the argument used by people who are anxious to justify what the government has done in the matter of pensions.

> In between, 28,082 draw pensions that range from a meagre $30 a month—

Mr. Speaker: Order, please. I am wondering whether the hon. member is not straying a little from the motion now before the house. It seemed to me that the first part of her argument was relevant, but perhaps she is now getting away from the subject before the house.

Mrs. MacInnis (Vancouver-Kingsway): With due respect, Mr. Speaker, that is why I do not want to go home until we have dealt with this question. I think this is exceedingly relevant. It is why I think that we as members of parliament are falling down on our duty. We are failing to do something for those people who have incomes of this type. However, I have nearly finished with the figures, and I believe they are very relevant.

Some hon. Members: Order.

[Mrs. MacInnis (Vancouver-Kingsway).]

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, may I inquire whether it is the figures that are wrong? I would point out that they are accurate.

Mr. Speaker: No, it is the hon. member who is out of order.

Mrs. MacInnis (Vancouver-Kingsway): I will skip the figures then and continue with the editorial. However, I must point out that 20 per cent of all retired civil servants receive between $100 and $150 a month. Now I have finished with the figures. The editorial continues:

> Is this the way a nation with one of the world's highest living standards proposes to recompense its public servants for a lifetime of service? Do these cheese-paring allowances reflect Canada's grateful thanks?
>
> Obviously not. A Public Service Alliance brief calling for wide improvements in civil service pensions has been endorsed by representatives of three political parties, including the government.

I am getting rather nervous now lest by continuing to read I will be out of order, so I will desist. I just want to say that in spite of the cynicism expressed by the minister a moment ago, there are members of the House of Commons of all parties who would willingly stay here for several days, if need be, if we could get action on this matter before we go home for our much needed respite in our own constituencies. There are members of the House of Commons who put their duty to the people of this country—the retired civil servants in this instance—ahead of their own holiday plans and who would cancel their plans to go home in order to stay here to deal with this matter. I do wish, Mr. Speaker, that members on the other side of the house would recognize that there are members in all parties, even their own, who would be glad to stay to deal with this matter.

I know I am not out of order, or I do not think I am, when I say that I feel sure that the work that has been done over the years by the hon. member for Winnipeg North Centre (Mr. Knowles) puts him way beyond the cackling that I hear from some quarters that this is a last minute move to seek political advantage. The hon. member for Winnipeg North Centre has fought and fought and fought for this particular group of pensioners, and I feel that if by staying a little while longer we could get some action from the government we would feel a lot better when we go home. I am also sure that the government would on mature reflection feel a lot happier too, as well as feel a lot happier

about their own prospects at the next election.

• (12:40 p.m.)

Hon. Michael Starr (Ontario): Mr. Speaker, I realize that the motion before us to recess the house for the summer is one that has been agreed upon by all parties in the house. However, that does not preclude our saying some of the things which have been said about the government's failure to act on behalf of certain segments of the community and of the economy.

I was shocked to hear the callous words of the Secretary of State for External Affairs (Mr. Martin) when he spoke of those in economic distress. He admitted that in 1962 he rose in the house as an opposition member and asked the government to do something about the matter which we are now discussing. The present government then came to office and declared a war on poverty. For five years the Secretary of State for External Affairs has done nothing to declare war on the poverty which affects retired civil servants.

An hon. Member: Shame.

Mr. Starr: Does he not realize that some retired civil servants are living in squalor in one room, with hardly any amenities? Does he not realize the economic distress some of them suffer? Has he not heard of the suicide attempt of a widow of a civil servant which was occasioned by her economic distress? In his callousness is he going to continue to leave the matter unattended, as he has left it unattended for the past five years?

I realize that his interests range far beyond the war on poverty in this country. He is interested in the war on poverty in other countries. He is interested in wars between other countries, wars he has unsuccessfully tried to deal with. Even more unsuccessful have been his efforts to deal with poverty in Canada.

I know that nothing has been done because the government is not prepared to do anything. The cabinet is divided. Some in the cabinet feel that action ought to be taken now, while others are definitely against any action at this time. I wonder whether the government intends to do anything about this matter. The Minister of National Revenue and President of the Treasury Board (Mr. Benson) said that he hoped something might be done. That leads me to believe that he wishes to do something to correct the situation but that his colleagues are against him.

It is small wonder that no action is being taken. The government is divided. In the cabinet there are those who wish to do something for those in economic distress, for the retired civil servants, and there are others who are callous enough to do nothing. What is the position of the Secretary of State for External Affairs? Which of those categories does he occupy?

An hon. Member: He is on both sides.

Mr. Speaker: Order, please.

Mr. Martin (Essex East): Does the hon. member want me to answer his question?

Mr. Speaker: Order, please. The hon. member's comments about the war on poverty seem to be outside the scope of the motion. Perhaps he might sight his guns on the motion itself.

Mr. Starr: Mr. Speaker, I was only following the theme and words of the Secretary of State for External Affairs. He said that some of our people are in economic distress. The enunciated policy of the government was that it was declaring war on poverty. Because of the callousness of some cabinet ministers that policy has not been carried out.

I thought the minister was most unkind today to his bedfellows of the New Democratic party. I realize that he thought he had a golden opportunity to try to give the impression that there might be a divorce between the two parties until after the summer recess. As the right hon. Leader of the Opposition (Mr. Diefenbaker) said earlier, the N.D.P. has adopted the policies of the President of the Privy Council (Mr. Gordon). They feel closely akin to him. It is possible that the meetings that used to be held for the purpose of amalgamating the two parties might be resumed in future.

Mr. Martin (Essex East): I think that is a good idea.

Mr. Diefenbaker: That is a fact.

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I welcome the opportunity of saying a few words on this motion for the adjournment of the house inasmuch as I do not believe that the house should adjourn until it is seized of some facts regarding illegal fill in Lake Ontario.

Some hon. Members: Oh, oh.

Motion for Adjournment

Mr. Cowan: I sincerely trust that hon. members have enjoyed their light laughter, because before I am through I want to inquire whether the government is under the influence of two members of this house who are law partners of a lawyer involved in this illegal filling in of Lake Ontario or whether the government is acting on its own. I have been pushed around for two and a half years on this matter and I will not take any more. I will name them before I am through.

With regard to this adjournment motion I have in my hand—and I am sure that the Department of Public Works has not even seen it yet—a decision of the Ontario Municipal Board which was brought down on Tuesday, June 27, with regard to an application by the borough of Etobicoke for the zoning of Lake Ontario out to the international boundary, which is Etobicoke's southern limit.

Mr. Speaker: Order, please. I cannot admit or accept that we have now reverted to a grievance period. Obviously this is what some hon. members seem to think. They seem to think that hon. members may take up any grievance, justified or otherwise, which they may have against the government or against the administration, and discuss it thoroughly in connection with the motion before the house. I feel that there must be some relation between the matters raised by hon. members and the motion before the house, which is a motion for adjournment. I assume that the hon. member for York-Humber will wish to establish this relationship because, otherwise I think we shall be severely infringing against the rule of relevancy.

Mr. Cowan: Mr. Speaker, I wish to read the decision of the Ontario Municipal Board which will show you how relevant this matter is to the motion for adjournment, and perhaps you will allow me to read the second and third paragraphs of this decision. The house has before it a motion to adjourn until September 25. This decision was given by the Ontario Municipal Board on Tuesday, June 27. The typewritten copy of the formal decision is dated June 30 and reads:

With respect to these lands—

The illegal fill in Lake Ontario.

—the board feels that due to special circumstances affecting them that there ought to be further study made and the board will therefore reserve its decision until such time as evidence is adduced as to the results of such further studies, or in the alternative until such time as application is made to this board for final disposition by any interested party. The board wishes to state that an application for final approval with respect to the remainder of the bylaw may be made at any time prior to the one year period, upon proper notice according to directions to be given by the board.

I read this to you for the simple reason that I was present at the hearings on Monday and Tuesday, June 26 and 27, and it is quite possible that an application will be made to the Ontario Municipal Board for the right to erect apartment houses on Lake Ontario while this house is in adjournment. I maintain that the cabinet must take this matter under advisement and give it consideration right away—not next October, next November or next December, by which time the proposed structures may be half up.

With regard to this matter and the gale of laughter that swept the house on the part of the unthinking, I would point out that on June 22 when I was speaking in the house during private members' hour the Minister of Transport (Mr. Pickersgill), in his paternalistic manner toward backbenchers or private members, pointed out that I was again riding one or two of my hobbyhorses that I ride from time to time. I would not have to trot out these hobbyhorses if the cabinet would take action on the matters that I bring to their attention. I am now bringing up the matter of illegal fill again because of this decision of the Ontario Municipal Board of June 27, the date on which it was rendered, which decision could be appealed during the adjournment period.

This filling in of Lake Ontario is not a matter that is peculiar to the riding of York-Humber or the riding of York West which is represented by the Minister of Trade and Commerce (Mr. Winters), an able, capable and good representative of that area. This sort of thing applies to the entire Dominion of Canada. I speak of this matter of illegal fill in Lake Ontario because the Minister of Public Works (Mr. McIlraith) has not taken action under the Navigable Waters Protection Act. I get telephone calls, personal notes and letters from all over Canada on this question.

Mr. Speaker: Order, please. Again I ask the hon. member to be relevant to the motion before the house.

• (12:50 p.m.)

Mr. Cowan: With regard to relevancy, may I point out that the former village of Long Branch, which was absorbed as a part of Etobicoke as of January 1 of this year, granted permission to Millgate Park Investments Limited to erect an 18-storey apartment house

on illegal fill south of the lakeshore of the township of Etobicoke in 1965 and 1966. Whether or not the granting of the right to erect an 18-storey apartment house on that illegal fill will be recognized by the borough of Etobicoke is, I suppose, a matter for the courts, because the village of Long Branch granted the right to build in what is now Etobicoke. It is now a question whether the developers will go ahead and begin to build during the summer months when it is proposed that this house will be in adjournment.

I have brought up this question on numerous occasions, pointing out, first of all, the illegality of the filling. The Navigable Waters Protection Act covers the matter 100 per cent. On more than one occasion I have referred to the fact that there is a lawyer in the case by the name of James F. McCallum who might be seen performing for his clients at public meetings, before the Long Branch council and in other places where these matters were being discussed. At page 3371—

Mr. Speaker: While the hon. member is looking for the page perhaps I might remind him again that he does have to show some consideration for the rules of the house which require that discussion should be relevant to the motion before us. The hon. member says he is addressing himself to the question, which is the adjournment of the House of Commons. It seems to me that very little of what the hon. member has said until now bears any relation whatever to that motion. I would ask for his usual co-operation in bringing his remarks within the rules.

Mr. Cowan: I suppose it would be considered easier by the cabinet to order the steel spider for an apartment house taken down next October after the house resumes than to take action now to stop this development.

I was about to refer to the statement made by the hon. member for Villeneuve (Mr. Caouette) on March 29, 1966, a year and four months ago, which can be found on page 3371 of *Hansard:*

> The explanation given by the minister to the question raised by the member for York-Humber (Mr. Cowan) is rather confused.
>
> The member mentioned earlier the name of a lawyer, Mr. James F. McCallum, who is greatly interested in this fill in Lake Ontario, in the Mimico area or on the other side, in Long Branch. When we asked the member for York-Humber whether Mr. McCallum had any associates to help him in his transactions there, he said he was not aware of it and that he did not know Mr. McCallum.
>
> However, I find that in the Canada Legal Directory, which contains the names of law firms or offices in Canada, under No. 123, appears the name of the law office "Cameron, Brewin, McCallum & Scott, 372 Bay Street". Now, I wonder whether Mr. A. J. P. Cameron could not add "M.P." to his name and whether Mr. F. A. Brewin would not also be a member of the New Democratic party, I do not think Mr. Scott is a member of parliament, nor Mr. Joseph Lemire either—

Mr. Speaker: Order. The hon. member is continuing along lines which I suggested again a moment ago he has no right to follow. He has to be relevant. If the hon. member does not think that at this point he can be relevant to the motion before the house, we shall have to call on another member who will perhaps be able to do so.

Mr. Cowan: I want to ask the cabinet, before this vote is taken, whether any action is to be taken to stop this illegal fill in view of the fact that the Navigable Waters Protection Act gives authority for doing so and provides that plans for such a building as I have described must obtain prior consent before progress is made. This decision of the Ontario Municipal Board is current and relevant. Nothing has been done by the cabinet. No action has been taken for two and a half years.

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I am happy to say a few words on the motion of the hon. member for Winnipeg North Centre (Mr. Knowles) concerning an increase in the pensions of retired civil servants.

We are in favour of an increase but we are also for the settlement of all problems. There have been increases year after year and the more salaries and pensions are increased, the more unbalanced is the economy. And it is unfortunate that the hon. member for Winnipeg North Centre, and his party, cannot find a solution to balance our economy. There certainly are ways of balancing an economy. The more we increase salaries and pensions the more we create difficulties in the nation, and the more it is difficult for families to live, and poverty is becoming more pronounced. There has never been any solution other than increasing salaries and pensions. For over 20 years the labour unions have been calling strikes to get higher salaries and pensions.

Mr. Speaker: Order. I am listening to the hon. member with great interest but a very specific motion is before the house. It deals

with the adjournment of the house and I hope that eventually the hon. member will talk to that motion.

Mr. Latulippe: Yes, Mr. Speaker, we are in favour of the adjournment of the house, we want to adjourn. What we have done since September, we could have done in three months, if we had worked like men, but we worked like school children. We have done almost nothing for the people, except to increase taxes. We have found no way to balance the economy of the country or to meet the aspirations of the people.

For instance, there has never been an opportunity to speak of family allowances; no means have been found to increase them nor to adjust them to the cost of living. The children need more than the federal civil servants who are paid adequately. Families are in trouble; they are being strangled by taxes; they can no longer afford to live. No solution is found.

Mr. Speaker: Order. The hon. member should restrict his remarks to the motion now before the house.

Mr. Grégoire: On a point of order, Mr. Speaker.

You have reminded several members that we were discussing an adjournment motion and that the discussion should be limited to the said motion. If we are considering a motion for the adjournment of the house, I feel that such a motion is not debatable and I wonder why it is being discussed. Consequently, Mr. Speaker, I should like to elucidate my point of order.

What is before the house is not a simple motion for adjournment but a complex one comprising several other points, and that is why I suggest it is no longer an adjournment motion, but a motion designed to determine when the house will adjourn, when its sittings will be resumed and what measures will be discussed. It is therefore a rather complex motion which tends to broaden the scope of the debate since in the third line of the motion the following words appear:

—and to any other measures—

Therefore, this broadens the scope. That is why I feel you should allow the hon. member for Compton-Frontenac (Mr. Latulippe) to speak.

Mr. Speaker: Order. The hon. member cannot substitute his judgement for that of the Chair and I call his attention to the fact that standing order 25 to which he referred does not apply in the case of a substantive motion like the one now before the house.

Mr. Grégoire: That is what I am saying, Mr. Speaker.

Mr. Speaker: It being one o'clock, I do now leave the chair.

[*English*]

Some hon. Members: One o'clock.

Mr. Speaker: It being one o'clock I do now leave the chair.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Speaker: Order. Is the house ready for the question?

[*Translation*]

Mr. Latulippe: Mr. Speaker, I shall be brief since we are on a motion for adjournment. Like the other members, I am anxious to get home, to take holidays and to have the time to go around my riding to meet my electors. Indeed, I am convinced all the members are in the same situation and we surely want the house to adjourn.

Still, before so doing, I take it upon myself to point out that we have been unable to do many things. The government has not been able to get all its legislation passed because, as I said earlier, we wasted a great deal of time on many questions. The debate on some matters could have been much shorter, and the house is to blame, for we made no changes in the rules.

Therefore, I hope we can change the rules of the house in the future so that we may work in a more relaxed way, have shorter sessions, and find time to think of doing something for the Canadian people.

Mr. Speaker, I was saying earlier that we should have had time to discuss family allowances. The cost of living has increased fourfold since 1944 but the rate of family allowances has not been raised.

On the other hand, taxes have increased and, each time they are increased and each time the salaries are increased, sometimes as a result of strikes, the cost of living goes up. When the cost of living goes up, the currency is depreciated, and this drags down the entire economy of the country.

Mr. Speaker: Order, please. Before the hon. member goes off in a new direction, I would like to remind him that he should restrict his observations to the motion now before us.

Mr. Latulippe: Mr. Speaker, up to now, we have always observed the rules and I thank you for your observations. I will submit to your decision because we have heard many speeches and I shall not be long. I would have a number of remarks to make but since the rules must be observed, I shall cut them short. If we have not had the time to do all that should have been done, the motion of the New Democratic party must wait, as other things wait.

Therefore, let us wait, let us keep on going as we were before, let us keep on waiting and, during all that time, the people will manage as they can. As far as we are concerned, we still have the satisfaction, or the pleasure, to have done our duty at least during the session.

We have felt some after-effects, and we have followed the rules of the house. We have done all we could. I am glad to have done my duty, to have done only what was possible. I would have liked to do better yet and I think that all the members are in the same situation. I thank you, Mr. Speaker, and all the hon. members. If we have not done everything, at least we have done something, and we wish that the people will benefit therefrom as much as possible.

[*English*]

Mr. Martin (Essex East): Mr. Speaker, I would simply like to say to the hon. member for York-Humber (Mr. Cowan) that I listened with interest to what he said this morning—

Mr. Speaker: Order, please. If I remember this morning's proceedings the minister has already taken part in this debate. Is he now rising on a point of order?

Mr. Martin (Essex East): Not on a point of order, Mr. Speaker. I was rising to tell the hon. member that I will see to it that the matter he raised is brought to the attention of the ministers concerned as quickly as possible.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I wish to make just one or two comments on the motion now before the house. I would like to suggest that the discussion we have already had on it and on the amendment that was proposed evidenced very clearly the desirability and necessity of passing the motion. It seems to me that if we took a recess we would be in far better humour following our return to proceed with the business of the house and deal with it in a much better way.

However, Mr. Speaker, I wish to point out that we all share the concern for superannuated civil servants. It is not limited to just a few members or to one or two parties. It is shared by all of us.

I had the opportunity of being a member of the committee to which reference has been made. I know there is keen disappointment at the fact that the committee's report has not been acted upon and legislation introduced to take care of this urgent problem. I think that today we have been engaged in an exercise in futility and that the time has come to make a decision on this motion.

I do not believe that the motion and the amendment proposed are the best way to deal with a situation like this. Many of us would have liked to add further qualifying phrases. For instance, we have been urging the absolute necessity of introducing legislation to deal with veterans' allowances, particularly the allowances to dependants of veterans. There are many categories of pensioners and I do not think it is wise to concentrate on one category and by this method try to force the government into action.

A few days ago we postponed until today debate on a most important matter, namely, the agreements reached in the Kennedy round of trade negotiations. Time is now running out and apparently that important matter is not going to receive too much attention today. While we are sympathetic to the objections which have been raised to an adjournment at this time, we believe it is urgently desirable that the motion should now pass. For that reason we intend to support it.

• (2:40 p.m.)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to say a few words about this matter because I am concerned about the statement made by the Minister of National Revenue (Mr. Benson) this morning and about what was said by the Secretary of State for External Affairs (Mr. Martin), in his capacity as Acting Prime Minister. Both these ministers made it very clear that there had been no commitment made by the government that increases in retired civil servants' pensions would be implemented this year. From what they have said I wonder whether the government intends to implement this measure at any time. We all enjoy listening to the Secretary of State for External Affairs,

particularly when he is referring to the leaders of political parties, because he knows what it is to think about becoming a leader. However, no one on the other side of the house has given any clear assurance that this matter will be dealt with in the fall, and the Minister of National Revenue was very careful to outline all the difficulties involved. I do not often speak on the question of pensions because my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles) is quite capable—

Mr. Speaker: Order, please. The hon. member has revealed his intention to speak on pensions. Let me suggest to him that the question now before the house is the motion for adjournment.

Mr. Orlikow: Mr. Speaker, I am speaking on the adjournment motion and the importance of discussing this matter before we adjourn today because I think—

Some hon. Members: Oh, oh.

Mr. Orlikow: —it is important that we get some action on the part of the government or at least a specific commitment that there will be action. This matter has been raised by my colleague, the hon. member for Winnipeg North Centre, and by the hon. member for Carleton (Mr. Bell) on several occasions. We have heard statements by the Prime Minister (Mr. Pearson), the Minister of National Revenue and the Secretary of State for External Affairs all indicating that they agree with this proposal. The house committee made a series of proposals in this regard and presented the house with a unanimous report.

The Minister of National Revenue indicated this morning that the legislation involved is very complicated. Let me inform him that I am concerned not about the complications but about a commitment by the minister and others that these retired civil servants will be looked after this year. There has been a great deal of talk about when and if this is going to happen, but the emphasis should be placed on the fact that this legislation should be brought forward as quickly as possible, with a provision making the increases retroactive. The implication of the statements made in the last few months—

Mr. Speaker: Order, please. I must again interrupt the hon. member. He must realize that there are rules which must be followed, one of which is to the effect that speeches should be relevant to the question or subject before the house for discussion. The question now before the house is a motion for adjournment. The hon. member must realize that he cannot completely disregard this rule and the motion before the house for consideration at this time.

Mr. Orlikow: Mr. Speaker, I indicated that I was speaking in opposition to the adjournment motion. I was referring to what was said this morning by the house leader. I indicated my opposition by stating that I believe we should deal with the pension legislation referred to by the hon. member for Winnipeg North Centre. We should have a specific commitment on the part of the government that this legislation will be brought forward when the house resumes and that it will be in such a form that the increases will be retroactive. I do not intend to take up much more time but I should like to indicate to the house—

Mr. Korchinski: Mr. Speaker, I rise on a point of order. I have many problems, as do many other hon. members, which I should like to raise on this occasion. It seems to me that the debate now taking place reopens the earlier debate on the proposed amendment. Although I may subscribe to the idea embodied in the proposed amendment, I do not feel that this debate should be completely open for the discussion of individual problems. I am sure if I raised the problem I am now thinking of your Honour would wonder how it could be related to the subject before us, which is the motion to adjourn.

I have restrained myself with some difficulty from presenting this problem to the house. I am sure that if I had risen and mentioned it you would have ruled me out of order. In all fairness to myself and other hon. members who would like to raise specific problems at this time, I think you should apply the rules to the hon. member and restrict him to the subject now before us.

Mr. Speaker: I am in full agreement with the hon. member for Mackenzie and feel that his point is well taken. That is why on a number of occasions today I have asked hon. members to relate their remarks to the motion now before us. There must be some order in the house and that is why we have our house rules. They do not allow hon. members to discuss grievances of the type that have been discussed by the hon. members for York-Humber, Compton-Frontenac, and the right hon. Leader of the Opposition. I would ask hon. members to confine their remarks to the limited subject of the motion now before the house.

Mr. Orlikow: I will take just another moment, Mr. Speaker, and I will restrict my remarks to the subject under debate. I should like to indicate to the Minister of National Revenue that there has been a strong rumour circulating in Ottawa, not just in this house, that he has sympathy for these retired civil servants but does not have the approval of the Minister of Finance (Mr. Sharp) to put forward the required legislation. For this reason we do not feel we should adjourn before the legislation has been brought forward or until an absolute commitment has been made. We all remember what happened in the case of medicare, and until the government gives some indication that it intends to go ahead with this legislation we do not feel that we should accept the statements made and adjourn.

Mr. MacEachen: Mr. Speaker, I hope to stay within the confines of the rules in relation to relevancy to the terms of the subject matter—

Mr. Speaker: Order, please. I must warn the house that if the minister speaks now he will close the debate on the adjournment motion.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I do not intend to say very much about the adjournment motion which has precipitated a great deal of discussion and concern, but I should like to say that the form in which the motion is worded is not in accordance with the usual motion to adjourn. It seems to be a very simple motion but it is worded in a way which is not in keeping with the usual motion for a recess.

• (2:50 p.m.)

I am told that the Minister of National Health and Welfare (Mr. MacEachen) consulted with his very learned colleague the Minister of Transport (Mr. Pickersgill) and arrived at a motion that they felt was designed to obviate exactly what has happened today. It seems to me that this kind of machination of the rules for a specific purpose is not in our interest. Members of parliament may have made statements outside the house about what they were going to do, but it seems very foolish for the house, and it certainly makes Your Honour's position very difficult, if ministers, particularly those responsible for house business, arrive at a wording that is designed to eliminate a certain type of discussion but which in fact always has a reverse effect and promotes that kind of discussion. The type of wording used in this motion offers a challenge to those people who look at the situation as not being insurmountable.

Therefore, Mr. Speaker, I am opposed to this kind of motion and the way it is put before us. It is a modification of the guillotine. A motion put forward by the house leader should lead to the type of discussion that is required. In future the wording of a motion of this kind should be referred to a committee of the house to recommend a standard wording in respect of an adjournment or recess. It should recommend a form of wording which would eliminate this kind of discussion taking place. I think this would be of advantage to us and to you, Mr. Speaker, in that it would put Your Honour in a much better administrative position than is the case with a motion which is designed to do a specific thing and obviously does not do it.

Mr. MacEachen: Mr. Speaker, I wish to make one or two comments about the procedural aspects of the motion and the terms of the motion itself. I intended to say a word or two about the remarks of the Leader of the Opposition (Mr. Diefenbaker) who has unfortunately been called out of the house. Perhaps I will have an opportunity to say something in his presence before completing my remarks.

The motion before the house provides essentially for two things. One is that the adjournment will continue until September 25, 1967, at 2.30 o'clock p.m. This aspect, the timing of the resumption of the session, was discussed through the usual channels and there has been no disagreement about this. There has been some suggestion that the house has been kept in the dark with respect to the adjournment itself. The hon. member for Timiskaming (Mr. Peters), who has just resumed his seat, suggested that some machinations are at the root of this motion. That, of course, is absolutely false. It is absolutely false because on Monday, June 26, 1967, I outlined to the house the program we had in mind. After having outlined the program I said:

> With that program in mind we would hope to adjourn the house on Friday, July 7, unless it were necessary to remain for the following day to secure royal assent. If it is not, we will conclude this part of the session on that Friday.

That is to say, if it was not necessary to remain over until the following day, which would be Saturday, we would conclude this part of the session on Friday, July 7, which is

today. So as early as Monday, June 26, the house was served with clear notice that it was the intention of the government to bring this part of the session to a close on that day. I pointed out that we would conclude this part of the session today if it were possible to secure royal assent. That is still the intention.

We must keep in mind that the supply bills passed last night have gone to the other place. The other place is meeting at three o'clock and must have an opportunity to deal with those supply bills. As soon as the other place completes its consideration of the supply bills we will be in a position to secure royal assent.

The purpose of the motion, contrary to the misstatement made by the hon. member for Timiskaming, was merely to take into account the fact that no one could foresee when the other place would complete consideration of the supply bills and when it would be possible to obtain royal assent.

Mr. Peters: Mr. Speaker, could I ask the minister a question?

Mr. MacEachen: Yes.

Mr. Peters: I have no disagreement with the second part of the proposition put by the minister, that is, that the house was to stand adjourned until September 25 and so on. This is the normal procedure. However, is it not true that the first part of the motion would not apply and could not apply to any other circumstance than the one facing us at this time? It would not have applied the last time we recessed and even leaving out the date it would not have applied to any other circumstance.

Mr. MacEachen: Mr. Speaker, the work of the session had advanced to the point where it was possible to forecast the circumstances in which royal assent might be forthcoming. If the other place deals with the supply bills royal assent, if it is possible, will be given at 5.15 or 5.30. If the other place continues to discuss the supply bills and that discussion is not completed until later this evening, we will have royal assent at that time or tomorrow, as was indicated on June 26. That is why the motion was phrased in this way. It was in order to take into account the time, possibly prolonged, that might be taken by the other place in dealing with the supply bills.

There is nothing sinister about the motion at all. It is simple. The reason we put this motion on the order paper was so that the house would have an opportunity to deal with it in the regular way, because the hon. member for Winnipeg North Centre had served notice that he would use every possible method to hold up the adjournment of the house.

If I had come into the house later today and asked for unanimous consent to present an adjournment motion, the hon. member for Winnipeg North Centre would have been able to veto the desire of most hon. members to adjourn today by withholding unanimous consent. Undoubtedly that is what he would have done.

Mr. Knowles: Mr. Speaker, may I ask the minister a question?

Mr. MacEachen: Yes.

Mr. Knowles: Is it not clear, then, that this special, unique motion was drafted in such a way as to prevent me from insisting that the house deal with the matter of increased pensions for retired civil servants?

Mr. MacEachen: No, Mr. Speaker. The purpose of this motion was to give an opportunity to the house to deal with this matter based on an understanding that had been reached by members of the house that we would complete a certain amount of legislative business and the discussion of the main estimates of a certain number of departments. When these estimates had been translated into supply bills it was agreed that we would pass interim supply, after having dealt with so much legislation, and would wind up the session today. That was the understanding.

Mr. Knowles: Mr. Speaker, could I ask the minister another question?

Mr. MacEachen: No.

Mr. Knowles: Then I rise on a question of privilege.

Mr. McIlraith: Don't abuse the rules.

Mr. Knowles: My question of privilege is that every time there was any understanding at a meeting of the house leaders about the ending of the session, it was agreed by all of us that we would wind up the business of supply last night. But any understanding about adjourning today was always clearly stated to be without prejudice to my right to insist that we stay to deal with the question of the pensions of retired civil servants.

• (3:00 p.m.)

Mr. MacEachen: The hon. member for Winnipeg North Centre has of course illustrated the impasse in which he has placed the

House of Commons. Some weeks ago the hon. member for Timiskaming appealed to me as house leader to state clearly what the program of the government was. I stated it clearly in the house and elsewhere as required. I have been asked by ministers on this side of the house to add further items of legislation which they regard as important and which they thought should be passed before the house adjourned. But from the beginning I have adhered strictly to the understanding that I would add nothing further to the list of items that would be dealt with before the house adjourned. Hon. members opposite understand that, but the hon. member for Winnipeg North Centre feels that he occupies a special place in the house and enjoys a special status and that at the opportune moment, after he has chosen his timing very carefully, he can say "The house will not adjourn until my special interest is satisfied". He served notice earlier this week that he would frustrate adjournment and he has done so today and thus placed the house in a totally absurd position.

We have before us a simple adjournment motion indicating the time at which we will adjourn, depending upon the securing of royal assent, and indicating the time for the resumption of the session. The hon. member for Winnipeg North Centre knows full well that on an adjournment motion of this kind it is totally improper to debate issues of substance.

The hon. member for Winnipeg North Centre has led the house into an absurd situation because, first of all, he forced us to deal on an adjournment motion with the substantive issue of pensions for civil servants. Then the hon. member for York-Humber (Mr. Cowan) felt it appropriate, and justly so, to raise the question of the illegal filling of Lake Ontario. He was followed by the hon. member for Compton-Frontenac (Mr. Latulippe) who rose to tell us that the financial system of Canada should be changed. All of these matters were to be settled before we adjourn the house. Then the hon. member for Mackenzie (Mr. Korchinski) said quite properly, "I have other grievances and other matters to raise on the floor of the house. Surely I should have an opportunity to do so before we adjourn." That is the situation.

There is no admission or statement by the government that every grievance is satisfied or that every claim on the government is fulfilled. All we have before us is a simple adjournment motion. I am surprised that the hon. member for Winnipeg North Centre, who is an acknowledged authority on the rules of the house, would take this misguided course of action.

An hon. Member: Explain.

Mr. MacEachen: By taking this course of action today he has obviously put the house in the absurd position that on a simple adjournment motion it is possible to ask that the financial system of Canada be reformed before we adjourn the house.

We talk about the image of parliament. Everybody makes wonderful speeches about it. Well, the Canadian people must have received a wonderful impression of parliament today. The responsibility for creating such an impression lies on the doorstep of the hon. member for Winnipeg North Centre who decided, after the procedure under which we would adjourn had been clearly understood, that he would place before the house his special problem and project. I assume the hon. member is sincerely dedicated to this proposition, but I think his dedication is misguided and his action today has been irresponsible. It has created a very bad impression because the people of Canada may think that we cannot even get the house adjourned, we cannot carry out our own business efficiently and successfully, without getting into a wrangle and in this case over a simple adjournment motion.

His Honour the Speaker has ruled already on the irrelevancy of the debate. If this discussion were relevant the amendment would have been in order. However, it was declared out of order. Following that the Speaker has been on his feet trying to get the house to come to some sense of sanity and deal with the simple motion before it. The only plea I make is that we return to sanity and deal with this motion on the clear understanding that the problem about which the hon. member for Winnipeg North Centre feels so strongly can be debated when we resume in the fall. If we take the view that the house is not in a position to adjourn until every last grievance is satisfied, then let us decide today to have continuous sittings of the House of Commons from the beginning of the year until the end.

Mr. Knowles: Would the minister permit a question?

Mr. MacEachen: I want to conclude by making a remark about the right hon. Leader of the Opposition (Mr. Diefenbaker). This will be a very friendly remark so I want him to relax.

Mr. Diefenbaker: I never have to relax for any kind of remark.

Mr. MacEachen: The right hon. Leader of the Opposition has often asked me from that side of the house to take the house into my confidence. I regret that the Leader of the Opposition has not taken the house into his confidence and told us whether he will be occupying his seat when we resume on September 25. For my own part I sincerely hope he will be sitting in that seat when we return in September because parliament would really not be the same without his presence.

Some hon. Members: Hear, hear.

Mr. Churchill: Was that a grievance?

Mr. Knowles: Would the minister permit a question?

Mr. Speaker: Does the minister wish to answer questions?

Mr. MacEachen: One question, Mr. Speaker.

Mr. Knowles: My question to the minister is this: Is it not a fact that we are having this debate today and that we are engaging in what the minister calls "this wrangle" not because of one individual grievance but because the government has failed to keep its promise to our retired civil servants?

Mr. MacEachen: Mr. Speaker, at no time did the government make a commitment to deal with this matter before the summer adjournment.

Mr. Knowles: That is all the more reason why we should not adjourn.

Mr. Peters: Mr. Speaker—

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Peters: On a point of privilege, Mr. Speaker. I listened very carefully when the minister indicated that I had argued on—

Mr. Speaker: Order, please. I remind the hon. member that the rules have been fractured enough today and that we should try to respect them to some extent at this point. If the hon. member has a question of privilege it should be a valid one, not simply a reopening of the debate which should be closed by the minister's statement.

Mr. Peters: Mr. Speaker, my point of personal privilege is based on the minister's supposition that I argued on a false premise.

[Mr. MacEachen.]

Mr. Churchill: That is a debating point.

Mr. Scott (Danforth): Let hon. members over there keep quiet and we will get through more quickly.

• (3:10 p.m.)

Mr. Peters: Mr. Speaker, I have no difference of opinion with the minister on the other remarks he made. However, he concluded that I was falsely informed or proceeded on a false premise when I said that the form of this motion lent itself to the abuse which has occurred. I believe this is true. The minister has said that there has to be royal assent for the supply bills that were presented and that no additional bills could be presented unless they were followed by another supply bill. My point was—

An hon. Member: There is no point of privilege.

Mr. Peters: Well, I feel I have a point of privilege whether or not the members on the other side do. Originally the point of this motion was—

Mr. Speaker: Order, please. I suggest to the hon. member that he should state his question of privilege. Up until this moment he has given no indication whatever that he has a legitimate question of privilege.

Mr. Peters: Mr. Speaker, the minister said that the premise I used as the basis for my remarks that the motion had nothing to do with the problem was false. It was not false. The whole argument has flowed from the wording of that part of the motion which reads:

> —royal assent to the supply bills referred to in paragraph (5) of the special order made Monday, June 26, 1967, and to any other measures—

Mr. Speaker: Order, please. I have to interrupt the hon. member. This is a point of debate. The hon. member intends to argue with the interpretation placed on his remarks by the minister, and if I allowed the hon. member to make his statement then members on the other side could get up on a question of privilege to disagree with the interpretation placed by the hon. member on the minister's interpretation of what the hon. member for Winnipeg North Centre has said. We could go on for a long time.

Some hon. Members: Question.

Mr. Speaker: Is the house ready for the question?

The house divided on the motion (Mr. MacEachen) which was agreed to on the following division:

• (3:20 p.m.)

YEAS

Messrs:

Allmand
Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Béchard
Benson
Blouin
Bower
Brand
Byrne
Cadieu (Meadow Lake)
Cadieux (Terrebonne)
Cantin
Caron
Chatterton
Chatwood
Choquette
Chrétien
Churchill
Clermont
Code
Comtois
Côté (Nicolet-Yamaska)
Cowan
Crossman
Crouse
Danforth
Davis
Diefenbaker
Dinsdale
Drury
Duquet
Enns
Ethier
Forrestall
Godin
Goyer
Gray
Greene
Grills
Habel
Hales
Harley
Hellyer
Honey
Hopkins
Hymmen
Isabelle
Jamieson
Jorgenson
Korchinski
Lachance
Laing
LaMarsh (Miss)
Langlois (Chicoutimi)
Latulippe
Leblanc (Laurier)
Lefebvre
Lessard
Loiselle
Loney
Macdonald (Rosedale)
MacEachen
MacInnis (Cape Breton South)
MacLean (Queens)
McIlraith
McIntosh
McKinley
McNulty
Marchand
Martin (Essex East)
Matheson
Matte
Mongrain
Moore
More
Muir (Cape Breton North and Victoria)
Munro
Nesbitt
Neveu
Noël
Nowlan
Nugent
O'Keefe
Orange
Ormiston
Patterson
Pelletier
Pepin
Pickersgill
Pilon
Prud'homme
Rapp
Régimbal
Rideout (Mrs.)
Rochon
Rock
Roxburgh
Rynard
Scott (Victoria (Ont.))
Sharp
Simard
Stafford
Stanbury
Starr
Stewart
Tardif
Thomas (Maisonneuve-Rosemont)
Thomas (Middlesex West)
Tremblay (Richelieu-Verchères)
Trudeau
Turner
Wadds (Mrs.)
Watson (Assiniboia)
Webb
Winkler
Winters—118.

Division

NAYS

Messrs:

Barnett
Cameron (Nanaimo-Cowichan-The Islands)
Douglas
Germa
Gilbert
Grégoire
Knowles
MacInnis (Mrs.) (Vancouver-Kingsway)
McCleave
Orlikow
Peters
Scott (Danforth)
Winch—13.

• (3:40 p.m.)

Mr. Clancy: I was paired with the hon. member for Nipissing (Mr. Legault). If I had voted I would have voted the same way.

Some hon. Members: Hear, hear.

Mr. Pennell: I was paired. Had I voted I would have voted for the motion.

WATER RESOURCES

TABLING OF FINAL REPORT OF NELSON RIVER PROGRAMMING BOARD

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, may I table the final report of the Nelson River programming board to the government of Canada and the government of Manitoba.

CRIMINAL CODE

AMENDMENT RESPECTING DESTRUCTION OF CRIMINAL RECORDS

Mr. Georges C. Lachance (Lafontaine) moved for leave to introduce Bill No. C-148, to amend the Criminal Code (destruction of criminal records).

An hon. Member: No explanation needed.

Motion agreed to and bill read the first time.

AMENDMENT RESPECTING RESTRICTION ON PUBLICATION OF PROCEEDINGS

Mr. Georges C. Lachance (Lafontaine) moved for leave to introduce Bill No. C-149, to amend the Criminal Code (restriction on publication of proceedings).

He said:

[*Translation*]

Mr. Speaker, the purpose of this bill is also to facilitate the rehabilitation of those who have served sentences in our penitentiaries. A similar bill is being considered in the House of Commons of the United Kingdom, and I understand that it is a government bill.

Motion agreed to and bill read the first time.

Inquiries of the Ministry

• (3:50 p.m.)

[*English*]

UNITED NATIONS

USE OF CANADIAN FORCE IN CONGO OR GAZA STRIP

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 for External Affairs whether or not there has been any suggestion from the United Nations that Canada's mobile force be made available in the Congo. If not, has there been any offer on the part of Canada to make the force available in the Gaza strip or those areas between Egypt and Israel, and Jordan and Israel?

Hon. Paul Martin (Secretary of State for External Affairs): With regard to the situation in the Congo, there is no proposal before the United Nations for a United Nations presence which would call for the contribution of military forces from countries such as Canada where preparations have been made in anticipation of such circumstances. If the United Nations is faced with such a situation, Canada will of course, pursuant to its obligations under the charter, give the matter the consideration which is habitually given to such situations by the government.

With regard to the situation in the Gaza strip, there is no proposal now for the establishment of a new United Nations presence there. One body is already in existence between Israel and Syria and Jordan; the United Nations truce and supervisory organization on which Canada is represented by some 22 officers. It is thought that this body can serve to carry out the necessary function of observation, and help to make a cease fire effective and ultimately, it may be, to assume other obligations which have yet to be extended to it by the security council.

RHODESIA—EFFECTIVENESS OF SANCTIONS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the Secretary of State for External Affairs a question with respect to the situation in Rhodesia? In view of the statements which have recently been made by the prime minister of Great Britain with regard to the situation in Rhodesia and the degree of effectiveness of economic sanctions, may I ask the hon. gentleman (1) whether the Canadian government is reviewing the effectiveness of these sanctions, and (2) whether the Canadian government intends to advance any proposals, either in the security council or at the United Nations assembly, for tightening up economic sanctions in order that they may prove more effective?

[Mr. Lachance.]

Hon. Paul Martin (Secretary of State for External Affairs): As my hon. friend knows, Mr. Speaker, Canada has fully subscribed to the requirements of the mandatory sanctions imposed by the security council a few months ago. Canada is not in a position by itself to assess the effectiveness of these sanctions. The Secretary General will be making a report to the security council soon on the sanctions and then, when this report is before the security council the UN member states, including Canada, will be in a position to determine whether or not additional economic sanctions are necessary. However, it is noteworthy, as my hon. friend has just indicated, that the recent statement by Mr. Smith shows that the sanctions are having effect.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, may I direct a supplementary question with regard to sanctions in Rhodesia. Is it the purpose of the Canadian government through the imposition of sanctions to create serious economic distress in Rhodesia and vast unemployment?

Mr. Martin (Essex East): Mr. Speaker, I am sure my hon. friend knows that the purpose for which Britain and all commonwealth countries, and most other countries in the world, have agreed to the mandatory sanctions program of the United Nations is because they wish to bring down a government that has exercised a form of discrimination which in this day and age simply cannot be tolerated by the international community.

Mr. Churchill: May I ask one other supplementary question. Is it the intention of the government to take similar action against various governments in the countries of the world that have been established by revolution and military dictatorship, and are therefore illegal?

Mr. Martin (Essex East): I am sure my hon. friend knows that on the orders of the day such a sweeping question could only bring a sweeping answer in an exchange that would be of little practical meaning.

EXTERNAL AFFAIRS

CONGO—INQUIRY AS TO SAFETY OF CANADIANS

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs. In view of the explosive situation that exists in the Congo I ask the minister are there any Canadians in the danger areas and, if so, what steps are being taken to protect them?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I believe that in the dangerous area, around the community of Kisangani, which is the old Stanleyville, there are in all about 20 Canadians. I believe that these, together with citizens of the United Kingdom and other countries, are not in immediate danger but steps have been taken for their security.

TELEVISION

TRANSFER OF CHANNEL FROM BARRIE TO TORONTO

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I would like to direct a question to the Minister of Transport. Will he assure the house that in any action to approve the application of channel 3 for its licence he will have cabinet approval?

Hon. J. W. Pickersgill (Minister of Transport): Perhaps, Mr. Speaker, I would be permitted to say that, if rumours are true, this may be the last day's attendance by the hon. gentleman in this chamber and he, apart from some of his partisan activities, is a very popular member of the house. I will not go so far as to say we wish him well in any new endeavours, but I know that from a personal standpoint, so far as his health, wealth and happiness are concerned, we would all wish him very well.

Some hon. Members: Hear, hear.

Mr. Pickersgill: I may add that in connection with many of the arrangements that had to be made, when I had the honour to be the leader of the house when this government was first formed, I always found the hon. gentleman, although he pushed the interests of his party just as far as he possibly could, to be really co-operative, as a good whip should be.

Having said that, sir, I can assure the hon. gentleman that I will endeavour, as I always do, to comply with the law made by this parliament.

Mr. Winkler: Before directing a supplementary question, Mr. Speaker, I wish to acknowledge the good wishes of my hon. friend, and I can assure him I could never depend on his support for what I have in mind for my future. I might add that I had a sensible, responsible farewell speech prepared, but in the light of what has occurred earlier today I wish to say I agree with some hon. members who said that the Canadian people may have reason to be disgusted, particularly with some of the people on my left.

Some hon. Members: Hear, hear.

Mr. Winkler: With reference to the minister's reply regarding channel 3, I would simply ask him whether he will meet the very unique protests made by some of his backbenchers, and some of his front benchers, which have been in line with what I have requested, because I do not believe—and I say this frankly and directly—that approval of this application will be in the best interests of television.

Mr. Speaker: The hon. member, of course, is making a representation at the moment and not asking a supplementary question.

Hon. Michael Starr (Ontario): Mr. Speaker, may I direct a supplementary question to the minister. I understand that the minister has the prerogative in approving the transfer. Will he give the house an assurance that he will not, alone and unguided, make the decision but seek the views of the cabinet before making it?

Mr. Speaker: It seems to me this is the same question that was asked previously by the hon. member for Grey-Bruce.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Possibly I could ask this question of the minister, Mr. Speaker. Was it brought to his attention at any time that Mr. Snelgrove and those connected with him during the 1965 election, when Mr. Snelgrove took such an active part for the Liberal party here in Ottawa, boasted they were going to bring about the achievement of having this television station transferred from Barrie to Toronto?

Mr. Speaker: Order, please. I do not think this question is in order.

Mr. Donald MacInnis (Cape Breton South): As a further supplementary question, I would

ask the Minister of Transport if it is a fact that one of the board of directors, not having sat in on any of the hearings, attended the final meeting, voted in favour of it, and at that time the chairman of the board was not even aware of the fact that he was a newly appointed member of the board, and did not find out until the coffee break?

Mr. Diefenbaker: That would be nothing abnormal for this government.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Secretary of State. It arises out of a report on the C.B.C. screen yesterday of a sale that took place at Christie's, the famous art and antique sales market in London, of a chart drawn by Captain James Cook of the St. Lawrence river, including the area adjacent to Quebec, a chart actually used by General Wolfe in the assault on Quebec. Surprise was expressed in London that there had been no attempt on the part of the Canadian government or any Canadian body to seize the opportunity to obtain this historic chart. My question is this: Did the Canadian High Commissioner in London inform the government of this opportunity to acquire in centennial year a priceless piece of Canadiana for the National Archives? I might add that the bidding did not reach the owner's reserve price.

Mr. Speaker: Order, please.

[*Later:*]

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise on a point of order. Your Honour did not give the Secretary of State an opportunity to answer the legitimate question I asked, and apparently she was prepared to do so.

Mr. Speaker: Order, please. The member knows that the minister did not rise to answer the question. There was no attempt on my part to prevent the minister from answering.

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—REDESIGNING AND RESCHEDULING OF CONSTRUCTION

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, since the house will not be sitting again for some time perhaps I may be permitted to ask the Minister of Public Works a rather general question. Has the government yet come to a final decision with regard to a redesigned crossing to be built to Prince Edward Island across Northumberland strait, and has any decision been made respecting the schedule of construction? If the answer is no, and I expect it to be, could the minister give some indication of when he hopes such a decision to be arrived at by the government?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, the answer to the first two questions is no. In respect of the time of the proposed redesign and modifications now in the hands of the consultant, I cannot give an accurate estimate. I doubt very much that this will be placed before parliament until after it resumes. As the hon. member knows, I did indicate to the committee which considered these estimates that there would be an opportunity to discuss the matter when this information is available for study.

TRANSPORTATION

NOTIFICATION OF HEARINGS ON RAIL LINE ABANDONMENT

On the orders of the day:

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I should like to address my question to the Minister of Transport. When the transport commission holds its hearings in western Canada, particularly in Saskatchewan, will members of parliament, members of the provincial governments, representatives of the municipalities and others interested in rail line abandonment be notified of the dates and places of the hearings?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, according to the notice I received, the Board of Transport Commissioners has arranged a conference to be held in Winnipeg on August 8. I suggest that anyone who wishes to participate in or attend this conference should get in touch with the secretary of the board to ascertain its procedures. I am afraid I do not know now what they are, but I am sure the secretary would reply very promptly to any inquiry.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, in respect of the conference to be held on August 8 in Winnipeg, will the results of the special technical surveys being done on certain branch lines be available to interested parties before that meeting?

Mr. Pickersgill: As a result of a notice I received, I assume that what is to be discussed is not the abandonment of any specific line, but rather the general procedures to be followed in dealing with the applications. For that reason I should not think the results of any study would be relevant to the purposes of the conference.

Mr. Dinsdale: I have a further supplementary question. Will the results of the studies be made available to interested parties as they are completed?

Mr. Pickersgill: I am sure any information in the possession of the board or under my control as Minister of Transport which is relevant to the conference will be made available.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to ask a question which is related, or could be construed as supplementary. Will the minister put some teeth in the guarantee in respect of certain branch lines, which will assure the replacement of the bridge which was destroyed at Chelan, Saskatchewan, in order to provide service as it was prior to the destruction?

Mr. Pickersgill: I have already taken this matter up with the officials of the Canadian National Railways. As the hon. member suggested, this particular line is a guaranteed line. I assume the Board of Transport Commissioners will have certain jurisdiction in respect of this matter, although it is hazardous for a minister to make statements which probably constitute a legal opinion. In any case I have drawn this matter to the attention of the board.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, having regard to the matter raised by the hon. member for Mackenzie, is the minister aware, as I am sure he is, of the serious situation in which the people along this line find themselves as a result of the fire which destroyed the bridge on May 16?

I need not bring to the minister's attention the fact that this loss of transportation facilities to outside areas has resulted in complete stultification. While the minister does not have the authority to direct, will he bring to the attention of the officials of the Canadian National Railways the imperative necessity of transportation through this area, and the fact that there has been a long delay in this regard?

Mr. Pickersgill: I will be happy to bring the words of the right hon. gentleman to the attention of the railway officials, and I am sure they will be much more effective than anything I might say.

Mr. Korchinski: I have a further supplementary question. Can the minister give us some assurance that the transport commission will be duly appointed in such a way that representations can be made to an authority which will have greater power than the present board of transportation commissioners?

Mr. Pickersgill: Since parliament decided the Canadian Transport Commission should be established, it is not difficult for me to give an assurance that it will be established. I cannot give a concrete date in respect of this establishment, but I hope it will be early in September.

[*Translation*]

LABOUR CONDITIONS

CLARKE CITY, P.Q.—REHIRING OF EMPLOYEES

On the orders of the day:

Mr. Gustave Blouin (Saguenay): Mr. Speaker, my question is for the Minister of Manpower and Immigration, but in his absence, I shall put it to his parliamentary assistant.

It has to do with a Canadian Press release, under date of July 5, announcing the closing down, at Clarke City, of the Gulf Pulp & Paper pulp mill which had been in operation for 60 years, and the lay-off of its 200 permanent employees. I should like to know from the minister whether arrangements have been or will be made to transfer or place those workers in other industries, preferably in the mining industry of that very region?

[*English*]

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): Yes, Mr. Speaker, the facilities of the Canadian manpower centre have been made available to assist in replacing and retraining the displaced workers at this plant.

HOUSE OF COMMONS

PROPOSAL THAT PROCEEDINGS BE TELEVISED

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Acting Prime Minister about the expressed desire on

the part of the C.B.C. to film parts of parliamentary procedure as a special centennial project. In view of the fact that all opposition parties have agreed to this suggestion, and in view of the fact the C.B.C. will need some time to make plans, can the government give us some definite indication that it will be agreeable to this project?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, the Prime Minister has already indicated his views in respect of this matter. Whether those views will represent a final decision, I cannot say. I will direct the hon. member's question to the Prime Minister. I can say that this matter is one which the Prime Minister has had under consideration.

PUBLIC WORKS

PROPOSED MOVE OF DEPARTMENTAL STAFF FROM NORTH BAY

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I addressed a question yesterday to the Minister of Public Works regarding employees presently employed by this department at North Bay. The minister said in response that he would make a reply today in greater detail. Is he prepared to do so now?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, the hon. member asked whether a decision had been made to move the Department of Public Works staff from North Bay to Sudbury. The answer to that question is no, there has been no such decision taken. Perhaps I should add, to assuage any doubts that may be in the hon. member's mind or the minds of those involved, that formerly the North Bay office of the Department of Public Works was required to report to the district office in Toronto. We are creating a new district office in Sault Ste. Marie in relation to a certain portion of northern Ontario, and the North Bay office in future, along with the Port Arthur office, will be required to report to that new district office. It may in its working out involve some changes in personnel, but there is no intention to close the North Bay office.

UNEMPLOYMENT INSURANCE

REPORTED DECISION TO REMOVE COMMISSION OFFICE FROM NORTH BAY

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I realize that yesterday I asked a question that would normally be ruled out of order, but because this part of the session is about to conclude Your Honour allowed it. I asked a question in respect of the Unemployment Insurance Commission office at North Bay being closed and removed to Sudbury, affecting some 26 employees. The Minister of Labour was not in the house and no minister indicated that he was acting as minister of labour in respect of this matter. I wondered whether anyone took notice of my question and has an answer today. Is the Minister of National Health and Welfare acting as minister of labour?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I took note of the question yesterday, but unfortunately I have not received information in a form to give to the hon. member. I will obtain the information and make sure that he receives it at the earliest possible moment.

[*Translation*]

AIRPORTS

LATE ARRIVAL AND DEPARTURE OF JET AIRCRAFT

On the orders of the day:

Mr. J. P. Goyer (Dollard): Mr. Speaker, my question is addressed to the hon. Minister of Transport.

Does he intend to enforce at Dorval airport during the summer, the regulations forbidding take-offs and landings after midnight which disturb the sleep of the inhabitants of that area and in particular those of Ville Saint-Laurent?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, it is not only the hon. gentleman's constituents who would like to be allowed to sleep in peace. About once a month I get a telephone call at about three o'clock in the morning from some irate person in the hon. gentleman's constituency asking why jets are allowed to land at Dorval after midnight. I do not like having my sleep disturbed any more than the people there do.

A very serious effort is being made to prevent, to the greatest possible extent, these landings and takings-off after midnight. There have been a large number of landings and takings-off recently because of the inordinately large amount of air traffic. It is difficult not to allow planes to land if they have been delayed, and if they land and we say they cannot take off until morning we would have a great many irate passengers who are not able to continue on to their destinations.

It is a very complicated problem to solve. We are doing everything we can to keep it down to the minimum. However, it does not seem very advisable this year to detain planes as a punishment, because I am afraid those who would be punished would not be the air lines but the passengers, whose reservations would thereby have no validity.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, if I might make an observation in regard to the statement made by the Minister of Transport, it is a terrible thing for a minister of this government to be awakened.

Some hon. Members: Hear, hear.

AIR TRANSPORT

STEPS TO DEAL WITH RESERVATIONS NOT PICKED UP

On the orders of the day:

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I should like to reply to a question asked yesterday by the hon. member for Queens (Mr. MacLean) about "no shows" on Air Canada. Up to now they have not thought they could take advantage of my advice as to how to run the air line.

Some hon. Members: Oh, oh.

Mr. Pickersgill: My feelings are not unduly hurt on that account. However, Air Canada have instituted a system of telephoning a few hours before the flight, everyone who has a reservation. In that way they are getting a great many cancellations that apparently people would not make on their own. I understand they are still giving consideration to the other possibility which I suggested, but there are some very serious difficulties in putting it into operation.

[*Translation*]

AGRICULTURE

EGGS—PROTEST AGAINST HEAVY IMPORTATIONS

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to direct a supplementary question to the Minister of Agriculture.

In view of the mass importation of eggs, which is creating disastrous conditions for the farmers, would the minister not have an announcement to make as to a policy that could take care of this severe disadvantage for the agricultural class?

Mr. Speaker: Order. I do not feel this is a supplementary question.

Mr. Choquette: Mr. Speaker, I should like to rephrase in a more precise way the question I directed a while ago to the minister.

Is the government willing to announce a policy concerning the purchase of eggs, since the agricultural class is suffering from a mass importation of eggs?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, the Agricultural Stabilization Board is going to announce an egg purchasing policy today.

[*English*]

UNITED NATIONS

MIDDLE EAST—REACTION OF ISRAEL TO RESOLUTION RESPECTING JERUSALEM

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Secretary of State for External Affairs what communications have been made by Canada directly to Israel or through our ambassador in respect of the resolution passed by the United Nations, for which Canada voted. This resolution provides that Israel shall desist from its action in annexing Old Jerusalem. What is the reaction of Israel to the resolution that was passed?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, immediately prior to the general assembly vote I had a discussion about this matter with the ambassador of Israel in Ottawa. The foreign minister of Israel had a meeting recently with the secretary general, and Mr. Eban I think today or late last night announced that his government would be making a statement about the matter some time toward the middle of next week, when it is expected that the general assembly will be resuming its session.

Mr. Diefenbaker: Mr. Speaker, I wish to ask the Minister another question in connection with the refugees. Has Canada made any offer, directly or indirectly, to the United Nations, to any of the Arab states or to Israel as to the number of refugees Canada would be prepared to absorb if they were able to come to this country?

Mr. Martin (Essex East): Mr. Speaker, it is not possible for me to go beyond the statement made in that connection by the Prime Minister about ten days ago.

Inquiries of the Ministry

Mr. Diefenbaker: There has been no change?

Mr. Martin (Essex East): Yes.

HONOURS AND AWARDS

CANADA MEDAL—REASON FOR PRODUCTION IN ENGLAND

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I am not quite sure to whom I should direct this question, but the Secretary of State looks her usual courteous and capable self so I will direct it to her. In view of the fact that we have master craftsmen at the Royal Canadian Mint whose work, I am sure we all agree, is unexcelled, why is the Order of Canada medal being produced by Garrard's of London, England, and not by the Royal Canadian Mint?

Hon. Judy V. LaMarsh (Secretary of State): I did not know it was being produced by them, Mr. Speaker, but I shall be happy to find out what the position is. It may be some time before I can give the hon. member an answer here so I may mail it.

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. I trust his answer will be such that I will not be asking questions on the subject when we return later this year. I should like to ask the minister how he is coming along with establishing the base line co-ordinates under the Fishing Zones and Territorial Seas Act.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I had hoped to be able to make an announcement earlier than this. I am not in a position to do so. I hope I will be able to make an announcement before I next see the hon. gentleman.

AGRICULTURE

SASKATCHEWAN—EMERGENCY MEASURES TO PROVIDE FORAGE

On the orders of the day:

Mr. Lawrence Watson (Assiniboia): Mr. Speaker, I have a question I should like to direct to the Minister of Agriculture on behalf of hon. members from the province of Saskatchewan. In view of the serious drought situation that has developed in several large areas of western Canada in the past several weeks, has the minister had any communication with Hon. Ross Thatcher, premier of Saskatchewan, with a view to setting up emergency measures to provide forage to maintain basic cattle herds? I might say that most of Saskatchewan has had approximately half an inch of rain since May 1.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, the premier of Saskatchewan attended here, I think the day before yesterday, and communicated those thoughts to me. He indicated that he would be keeping us apprised of the seriousness of the situation and whether in his opinion an emergency program was needed.

DIVORCE

POSSIBLE ACTION ON REPORT OF COMMITTEE

On the orders of the day:

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Minister of Justice. Has the minister any intentions with respect to the report on divorce which was filed in this house on June 27, and would he tell the house whether he will introduce in the fall legislation on that report?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, since the committee's well researched and well thought out report was tabled, officials of my department and myself have been considering it.

It is my hope that in the near future I will be able to make suggestions to the cabinet with regard to legislation, and it is my expectation there will be legislation on this matter in the fall.

TRADE

POSSIBLE LOSS OF CANADIAN PREFERENCE IN U.K. MARKET

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, my question is directed to the Acting Prime Minister. It is based on a report that the United Kingdom may dump Canadian safeguards in a headlong dash to enter the common market. In view of the assurances given by the prime minister of Britain that continuous and close negotiations will be carried on with commonwealth countries in this

connection, has the government received any indication from the British prime minister that Canadian interests might be jettisoned if such a course would facilitate the entry of Britain into the common market?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, perhaps I could be permitted to answer that question. Liaison committees have been set up in accordance with the agreement reached at the ministerial conference, and last week or the week before members of the Department of Trade and Commerce, supported by other departmental people on the site in London, did have a conference with their opposite numbers in London at which there was no mention of jettisoning.

CAPE BRETON DEVELOPMENT CORPORATION

INQUIRY AS TO APPOINTMENT OF OFFICERS

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Is he now in a position to make an announcement in respect of the appointment of the chairman and vice president to the board of the Cape Breton Development Corporation?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): No, Mr. Speaker, not yet.

AGRICULTURE

POSSIBLE MODIFICATION OF ANNOUNCED POLICY

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): I should like to direct a question to the Minister of Agriculture, who is well aware of the representations made during the past months by leaders in agriculture regarding the agricultural policy of this government. Can the minister inform me whether announcements will be made in the near future regarding a modification of the government's agricultural policy, or will we have to wait for legislation to be introduced in the fall session?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, as the hon. member knows, we are appointing a task force to review long term goals and objectives in agriculture, and we hope to announce very shortly the appointment of the personnel of that task force which will work in close conjunction with the government. This will not be a commission that conducts its own deliberations and then reports in a year or two. If any of their recommendations require legislation, of course it will be introduced and brought forward in the normal way. Apart from that, the government will continue to review the needs of the agricultural community and to bring forth any legislation or other direction which is needed to keep Canadian agriculture in the forefront.

Mr. Starr: Mr. Speaker, may I rise on a point of order?

Mr. Speaker: Order, please. Before the hon. member rises on a point of order I wonder whether the house would be willing to hear the hon. member for Compton-Frontenac who has a question. I may say that I have allowed the question period to go over the allotted time.

[*Translation*]

FAMILY ALLOWANCES

INQUIRY AS TO POSSIBLE INCREASE

On the orders of the day:

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, my question is directed to the hon. Minister of National Health and Welfare.

In view of the fact that family allowance rates have not been increased since 1944, does the minister intend to make a statement in this respect for the future?

[*English*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the problem of family allowances was raised some time ago at a federal-provincial conference and was discussed there. Since then the department has been considering the structure of family allowances with a view, at some future time, to making recommendations to the government. However, there is no intention to introduce any measures in the house in the foreseeable future.

[*Translation*]

AGRICULTURE

INQUIRY AS TO CHANGE IN DAIRY POLICY

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, one last question to the Minister of Agriculture, whom I wish sincerely to congratulate as one of those who are doing the most for farmers since he has assumed his

functions, and my opinion is shared by the farmers.

The question I should like to put to the minister follows upon a statement made yesterday by one of the advisers of the Canadian Dairy Commission before the committee on agriculture, forestry and rural development suggesting the possibility of a change in quotas in the implementation of the dairy policy. Will this change be announced shortly?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, the dairy commission announced two or three weeks ago that it was authorized to modify the quotas and I think that the commission is giving new quotas every day to dairy producers. In fact, I hope it will continue to make these changes and give the producers the quotas they desire.

[*English*]

Mr. Starr: Mr. Speaker, I realize it is the intention of the house to proceed to the consideration of the first item in the estimates of the Department of Trade and Commerce. However, if there is agreement in the house, I suggest we now suspend sitting until we are called to the other place.

Mr. Speaker: Is it agreed that this sitting be suspended until the call of the Chair, which will be signified by the ringing of the bell?

Some hon. Members: Agreed.

SITTING SUSPENDED

SITTING RESUMED

CANADIAN CENTENNIAL

MESSAGE OF CONGRATULATION FROM BOTSWANA

Mr. Speaker: I understand there is to be a suggestion that we revert to motions, but before I recognize the member who wants to make this motion perhaps I might be allowed to bring to the attention of the house a letter I have received from the Speaker of the Botswana National Assembly. It reads as follows:

On behalf of the National Assembly of Botswana I desire to send to you and through you to the Canadian House of Commons the very sincere congratulations of this Assembly on the occasion of Canada's centenary. We are still only one year old and we derive inspiration and hope for our future from the progress made by countries such as yours which have in so short a history become world leaders.

May God continue to guide and bless your parliament and country.

Yours sincerely,
A. M. Merriweather.
Speaker, Botswana National Assembly.

Some hon. Members: Hear, hear.

[*Translation*]

QUESTIONS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, since we are adjourning until September 25 in a few minutes and as several members would like answers to questions they placed on the order paper, with the unanimous consent of the house, we would be ready to provide answers to 24 questions.

Some hon. Members: Agreed.

Mr. Béchard: Mr. Speaker, the following questions are being answered today: 20, 51, 127, 164, 193, 198, 200, 218, 231, 233, 245, 246, 270, 288, 290, 297, 300 and 318.

If questions Nos. 86, 187, 208, 222, 241 and 265 could be made orders for returns, such returns would be tabled immediately.

I ask, sir, that the remaining 73 questions be allowed to stand.

[*English*]

(Questions answered orally are indicated by an asterisk.)

CANADIAN LAW REFORM COMMISSION

Question No. 20—**Mr. Bell (Carleton):**

1. Has the government received any representations from (a) the Canadian Bar Association (b) other organizations or persons, advocating the establishment of a Canadian law reform commission?

2. If so, what consideration has been given to such representations?

3. If the answer to part 1 (b) is yes, from what organizations or persons?

Hon. P.-E. Trudeau (Minister of Justice): 1. The government has received representations on this matter from the Canadian Bar Association, based on a resolution passed at the annual meeting of the Canadian Bar Association (1966). Other representations have also been made.

2. The problems involved in establishing a Canadian law reform commission have been under study in the Department of Justice, but to date no formal recommendation has been made to the government.

3. Formal representations advocating the establishment of a national legal research institute, the functions of which might be comparable to those of a Canadian law reform commission, have been received from the faculty of law of the University of Saskatchewan.

RAINMAKING EXPERIMENTS

Question No. 51—**Mr. Laprise:**

1. During the year 1966, did the government carry out any experiments, anywhere in Canada, on land or in the air, in order to produce rainfall and, if so, where did these experiments take place and what were the results?

2. During the year 1966, to the knowledge of the government, did any private enterprise carry out any research, on land or in the air, in order to produce rainfall?

3. During the year 1967, does the government propose to carry out or allow any private enterprise to carry out any experiments, on land or in the air, in order to produce rainfall?

Hon. Judy V. LaMarsh (Secretary of State): 1. No.

In so far as the Department of Transport is concerned:

2. Informal advice has been received to the effect that private firms carried out experimentation in this connection during 1966 in the provinces of Alberta and Nova Scotia.

3. No governmental projects are planned.

INDIAN BENEFITS FROM CANADA PENSION PLAN

Question No. 127—**Mr. Dinsdale:**

Do the Indians who live and work on reserves benefit from the Canada Pension Plan?

Hon. A. J. MacEachen (Minister of National Health and Welfare): An Indian who lives on a reserve benefits under the Canada Pension Plan: (a) from earnings received for work performed off the reserve, and (b) provided he is a contributor to the public service superannuation fund, from earnings received for work performed on the reserve as a federal public servant.

An Indian who lives off a reserve benefits from work performed either on or off the reserve.

CANDIDATES' REPORTS ON ELECTION EXPENSES

Question No. 164—**Mr. Godin:**

Have any candidates produced reports since the date on which the Chief Electoral Officer's report on electoral expenses appeared and, if so, what are their names?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Chief Electoral Officer as follows: As far as can be ascertained the following candidates have filed with their respective returning officers their return of election expenses subsequent to the date on which the Chief Electoral Officer submitted his report in that regard.

As required by the Canada Elections Act, each report was accompanied by a judge's order. Fred Stevenson, Peterborough; Ken Binks, Russell; H. D. P. Logan, Victoria, Ont.; Val Scott, York Centre; Edward G. Phillips, York-Scarborough; Paul Labrie, Lapointe; Raymond Doré, Lévis; G. B. Alex, Hutchison, Saint-Antoine-Westmount; Robert J. Butler, Halifax; John E. Lloyd, Halifax; Harold W. Parsons, Grand Falls-White Bay-Labrador; Robert Taft, Winnipeg North; Ron Allen, Bow River.

PENSION OF C.B.C. PRESIDENT

Question No. 193—**Mr. Ormiston:**

1. Is the pension of the president of the C.B.C. approved by the board of directors of the C.B.C.?

2. Is the pension of the president of the C.B.C. authorized by statute?

3. What is the formula for determining the pension benefits of a president of the C.B.C.?

4. Are the pension benefits of a president of the C.B.C. at retirement normally greater than those pension benefits which accrue to a president who resigns prior to the termination of his appointment by governor in council?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the C.B.C. as follows: 1. Yes, in that it is governed by the terms of the C.B.C. pension plan which was established by the C.B.C. board of directors.

2. The C.B.C. board of directors was authorized by statute to establish a pension fund for the directors, officers and employees of the corporation and their dependants.

3. (a) The normal pension benefits of a president are the same as for all contributors —2 per cent of average salary during the highest paid five years within the last ten years of service, multiplied by the number of years of service. This is subject to some reduction in respect of service rendered after January 1, 1966, when the Canada and Quebec pension plans became effective. If 25 years of service have been rendered, earned pension rights are granted in full on retirement at or after age 60, otherwise they are granted in full only at age 65. If retirement takes place before 65, or before 60 in the case of employees of twenty-five or more years of service, pension benefits are actuarially reduced.

(b) If his statutory appointment were to expire after at least five years' service a president would be eligible to receive the greater of: (1) the normal pension rights described above, or, (2) a pension based on final salary rate and on actual service with a minimum of 15 years and a maximum of 30 years maturing at age 50 or actual age if later. (c) On his retirement, the present president will receive only the benefits outlined in (a).

4. Yes.

C.I.A. FUNDS EXPENDED IN CANADA

Question No. 198—**Mr. Ormiston:**

Is the government aware of any CIA funds entering Canada through the international affairs department of the AFL-CIO of America?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of the Solicitor General and External Affairs as follows: no.

REVISION AND CONSOLIDATION OF STATUTES

Question No. 200—**Mr. Bell (Carleton):**

1. What progress has been made in the revision and consolidation of the statutes of Canada?

2. When is it now anticipated that the revised statutes will be (a) published (b) proclaimed in force?

Hon. P.-E. Trudeau (Minister of Justice): 1. To date the statute revision commission has consolidated a total of 363 public general statutes in French and a similar number in English. A total of 332 statutes have been revised for a first time in the English version and 7 revised for the second time; 289 statutes in the French version have received a first revision and 3 a second revision.

2. The commission is attempting to complete its consolidation and report to the governor in council as soon as possible after the 31st day of December, 1967. It is hoped that publication of the revised statutes, 1967, and promulgation will follow some time in the fall of 1968.

FEDERAL GRANT FOR WRITING HISTORY OF CANADA

Question No. 218—**Mr. Caouette:**

1. Did the Department of the Secretary of State or any other federal government department grant any amount to Mr. Stanley Ryerson to write a History of Canada?

2. If so (a) on what date (b) what was the amount of the grant?

[Miss LaMarsh.]

[*Translation*]

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the centennial commission as follows:

1. Yes, Canadian History: British North America 1815-1873.

2. (a) Contract dated April 7, 1966; (b) $2,000, $1,000 paid out by cheque dated April 25, 1966. The balance of $1,000 to be paid when the history is completed and a manuscript presented to the centennial commission. The centennial commission's subsidy is limited to assisting the preparation of works, not their publication or distribution.

[*English*]

VENTILATION STANDARDS IN CARGO SHEDS AND SHIPS' HOLDS

Question No. 231—**Mr. Forrestall:**

1. Is gasoline-operated equipment permitted to work in national harbours board cargo sheds?

2. If so, what safety standards are laid down for the protection of stevedores and freight handlers?

3. Do such enclosed sheds have any mechanical ventilation and, if not, for what reason?

4. Have any studies ever been made by the government to determine the necessity, or otherwise, of adequate ventilation in sheds and in the holds of ships and, if so, when, by whom and with what results?

5. What safety standards govern "clean air" in the holds of ships while in Canadian ports?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Transport and National Health and Welfare as follows:

1. Yes.

2. Users of equipment on N.H.B. property are required to observe proper care in the use of such equipment, and the equipment may be removed by the board if proper care is not exercised.

3. Not generally. Shed doors can be opened to allow adequate ventilation without mechanical ventilation. Most sheds, due to their particular construction, have gravity roof ventilators.

4. (a) An air contamination survey of transit sheds at Saint John, New Brunswick, was conducted by the Department of National Health and Welfare in April, 1961. The results of the survey were made available to the national harbours board. (b) The board of steamship inspection has considered the ventilation of holds of ships. Cargo hatches are open when cargo is being worked and normally provide an adequate volume of

fresh air. However as a result of the board's studies it was recommended that the tackle regulations be amended to govern the use of internal combustion engines used in cargo holds.

5. Section 63(3) of the tackle regulations, made under the Canada Shipping Act by order in council P.C. 1961-188 of February 9, 1961, provides that "where internal combustion engines are used in cargo spaces the carbon monoxide gas concentration shall not exceed 100 parts per million".

INVITATIONS TO MEETING RESPECTING HALIFAX HARBOUR

Question No. 233—**Mr. Forrestall:**

1. Was the government of Canada or any of its departments or interested agencies, other than the national harbours board, invited to attend a special meeting arranged by the city of Halifax on June 3, 1967, for the purpose of discussing declining port activity and, if so, which departments were invited and which attended?

2. Were any departments invited who were not able to send representatives and, if so, why were they not present?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by all departments as follows:

1. No.

2. Answered by No. 1.

VOTE BY CHAIRMAN OF LABOUR RELATIONS BOARD

Question No. 245—**Mr. Simard:**

Has the president of the Canada Labour Relations Board the right to vote in the case of a dispute among unions where the members of a union are not unanimous in their choice of representation, so that employers will not be required to decide the matter for their employees?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): All members of the board have the right to vote on any matter coming before the board.

UNION DISPUTE BETWEEN C.L.C. AND C.N.T.U.

Question No. 246—**Mr. Simard:**

In the case of an inter-union dispute involving an affiliated member of the CLC and an affiliated member of the CNTU, must the CNTU and the CLC be represented in equal numbers, that is, two for the CNTU and two for the CLC?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Every matter coming before the board is dealt with on its merits by the board as a whole without distinction as to the nature of the issue involved.

CANADIAN FOREIGN AID

Question No. 270—**Mr. Ballard:**

1. What was Canada's contribution to foreign aid in the years 1956, 1961 and 1966?

2. What were the amounts contributed in the years 1956, 1961 and 1966 to each country or international agency receiving such aid?

3. What amounts, in aggregate, for each of the years 1956, 1961 and 1966, were tied to the procurement of goods in Canada?

Hon. Paul Martin (Secretary of State for External Affairs): 1. The Canadian government made the following amounts available during the fiscal years 1956-57, 1961-62 and 1966-67 for Canada's development assistance program:

	($ Canadian millions)		
	1956-57	1961-62	1966-67
Bilateral assistance	35.88	56.81	207.77
Multilateral assistance	6.57	15.25	41.49
ECIA section 21A long term credits		42.69	61.77
Total	42.45	114.75	311.03

2. The following amounts were allocated to developing countries and international agencies for development assistance during the fiscal years 1956-57, 1961-62 and 1966-67.

1956-57	
Countries	
Ceylon	$ 2,000,000
India	18,800,000
Pakistan	12,680,000
Other countries	400,000
Technical assistance	2,000,000
International agencies	
ETAP	1,770,000
UNICEF	650,000
UNRWA	130,000
UN-Korean Reconstruction Agency	500,000
IFC	3,520,000
1961-62	
Countries	
South and South-East Asia	
India	$ 25,000,000
Pakistan	15,000,000
Ceylon	2,000,000
Malaya	1,000,000
Other	1,850,000
Technical Assistance	2,000,000
Indus Basin	3,000,000
West Indies Federation	1,600,000

Questions

1961-62

Countries

Africa	
Nigeria	1,500,000
Ghana	1,000,000
Sierra Leone	300,000
African dependent territories	500,000
Francophone Africa (Regional Allocation)	300,000
International agencies	
ETAP	2,100,000
Special Fund	2,300,000
UNICEF	650,000
UNHCR	290,000
UNRWA—cash	500,000
—food	1,500,000
IAEA	50,000
IDA	7,860,000
*ECIC Section 21A	
Argentina	12,325
Brazil	2,558
Chile	13,500
Liberia	1,499
Mexico	12,810

1966-67

Countries

South and South-East Asia	
Burma	68,000
Cambodia	204,000
Ceylon	4,500,000
India	109,000,000
Indonesia	124,000
Korea	75,000
Malaysia	2,700,000
Pakistan	27,400,000
Republic of Vietnam	2,000,000
Thailand	600,000
Singapore	400,000
Other	1,229,000
Africa	
Algeria	1,300,000
Cameroun	1,500,000
Congo (Kinshasa)	1,000,000
Ghana	4,000,000
Kenya	2,200,000
Morocco	3,200,000
Nigeria	6,500,000
Rwanda	800,000
Senegal	500,000
Tanzania	2,300,000
Tunisia	1,500,000
Uganda	1,200,000
Zambia	500,000
Other	3,100,000

[Mr. Martin (Essex East).]

1966-67

Countries

Caribbean	
Guyana	2,000,000
Jamaica	3,500,000
Little 8 and British Honduras	3,000,000
Trinidad and Tobago	3,600,000
University of West Indies	1,000,000
Latin America	10,000,000
International agencies	
UNDP	9,500,000
UNICEF	1,100,000
Indus Basin	5,500,000
WFP—cash	2,500,000
—food	8,000,000
UNHCR	350,000
UNRWA—cash	500,000
—food	700,000
IAEA	60,000
IBRD	4,550,000
IDA	15,030,000
ADB	2,700,000
*ECIC Section 21A	
Argentina	3,199
Greece	4,836
India	38,500
Mexico	15,239

*For purposes of international comparison, long term credits extended under section 21A of the Export Credits Insurance Act are included in figures for development assistance because of their concessional maturity periods.

3. As a general rule, funds expended on Canadian bilateral assistance programs are used for the purchase of Canadian goods and services. The external aid office has worked to the regulation that all projects undertaken must have 80 per cent Canadian content unless special authority is obtained from the Treasury Board. Few applications have been made for special authority. On the other hand, many large purchases have been for products with 100 per cent Canadian content, so that the average of all purchases would be well over 80 per cent.

STATUTE REVISION COMMISSION

Question No. 288—**Mr. Caouette:**

1. When was the statute revision commission established?

2. Who are the members of the commission?

3. What is the total number of hours of meetings of the commission?

4. Who is the chairman of the commission?

5. What are the names of the members of the staff of the commission, and (a) for what length

of time has each worked for the commission (b) what is the salary of each, and (c) what is the qualification of each?

6. Is it intended to change the expression "Statuts du Canada" by "Recueil des lois canadiennes"?

7. Is it proposed to publish a bilingual edition of the Canadian statutes for our centennial?

8. On what date will the revised statutes be published?

9. Is it proposed to publish the statutes in loose-leaf books in order that they may be always kept up to date?

[*Translation*]

Hon. P.-E. Trudeau (Minister of Justice): 1. The statute revision commission was established by Letters Patent dated the 4th day of May, 1965.

2. The present members of the statute revision commission are: The Honourable Pierre Elliott Trudeau, PC., M.P., Minister of Justice and Attorney General of Canada. (*member ex officio*). Donald S. Maxwell, Q.C., Deputy Minister of Justice and Deputy Attorney General. Jean Miquelon, C.R., Deputy Registrar General of Canada. Rodrigue Bedard, C.R., Associate Deputy Minister of Justice. Donald S. Thorson, Q.C., Associate Deputy Minister of Justice. James W. Ryan, Director, Legislation Section, Department of Justice.

3. No records kept of the number of hours of meetings.

4. The Honourable Pierre Elliott Trudeau, P.C., M.P., is the present chairman of the commission.

5. The persons at present on the staff of the commission are: Mrs. Florence Rosenfeld, LL.B.; Mrs. Mary Lefebvre; Miss Carmen Morin; Mrs. Simone Gauthier; Mrs. M. E. Sarault.

(a) and (b). Mrs. Rosenfeld began work on April 3rd, 1967, at a salary of $12,000 per annum. Mrs. M. Lefebvre began work on July 17, 1965, and earns $6,000 per annum as C.R. 5. Miss Carmen Morin began work on October 1, 1965, and earns $6,000 per annum as a C.R. 5. Mrs. Simone Gauthier began work on November 1, 1966, and earns $5,059 per annum as a C.R. 4. Mrs. M. E. Sarault began work on October 1, 1965, and earns $4,494 per annum as ST 4. (c) Mrs. F. Rosenfeld is a graduate in law from the University of Manitoba and has practised law in British Columbia. She has worked as an editor for C.C.H. Limited, W. H. Anderson Company (Law Publishers), the Carter commission, and the Committee on Election Expenses. Mrs. M. Lefebvre was employed in the capacity of principal clerk by the revision commission for the 1952 revision. Miss Morin, Mrs. Gauthier and Mrs. Sarault are qualified in accordance with civil service requirements for the positions held.

6. No. One or two individual members of the commission have been considering the suitability of "Recueil des lois revisées du Canada" but have not raised the matter formally with the commission.

7. The commission intends that the Revised Statutes of Canada, 1967, be a bilingual edition.

8. No firm date can be given at this time. The commission will attempt to complete consolidation and report to the governor in council as soon as possible in 1968. It is hoped that promulgation and distribution will follow some time in the Fall of 1968.

9. No. There is no statutory authority for the continuing revision required for a loose-leaf revision system.

[*English*]

RENEWAL OF ROADS TO RESOURCES PROGRAM

Question No. 290—**Mr. Stefanson:**

Does the government have plans for renewing the road to resources-program with the provinces and (a) if so, when (b) if not, for what reason?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): No. (a) Not applicable; (b) Following an examination of the contribution which the roads to resources program has made to the objective of economic growth or stability, the government plans to discontinue it.

HEALTH AND WELFARE RESEARCH GRANT APPLICATIONS

Question No. 297—**Mr. Orlikow:**

1. How many applications for grants to finance research projects did the Department of National Health and Welfare receive in each of the past three years?

2. What was the total dollar value of the projects requested from the Department of National Health and Welfare?

3. How many of the applications made to the Department of National Health and Welfare were approved in full?

4. How many of the applications were approved in part only?

5. How many applications for research grants were turned down in each of the last three years?

6. What were the reasons for the refusals?

Questions

Hon. A. J. MacEachen (Minister of National Health and Welfare): Health grants program: 1. 1964-65, 353; 1965-66, 381; 1966-67, 362.

2. 1964-65, $4,262,952; 1965-66, 6,798,183; 1966-67, 5,239,909.

3. 1964-65, 205; 1965-66, 195; 1966-67, 224.

4. 1964-65, 84; 1965-66, 101; 1966-67, 62.

5. 1964-65, 57; 1965-66, 83; 1966-67, 76.

A few projects were cancelled, or altered, at the request of the researchers or their sponsoring provinces.

6. Research projects do not receive approval as submitted under the health grants program when they exceed the funds allocated for this purpose and when they are considered by appraisers, consultants and advisory committees to be poorly designed or unsound research.

Welfare grants program: 1. 1964-65, 20; 1965-66, 20; 1966-67, 44.

2. 1964-65, $267,240; 1965-66, $287,253; 1966-67, $397,794.

3. 1964-65, 4; 1965-66, 8; 1966-67, 18.

4. 1964-65, 9; 1965-66, 3; 1966-67, 7.

5. 1964-65, 6; 1965-66, 8; 1966-67, 14.

6. (a) applicant unable to engage staff qualified to conduct the research; (b) terms and conditions of grant were met but no funds available; (c) purpose of project not of sufficient importance in relation to the objectives of the grant; (d) design not suitable to achieve purpose of the proposed research; (e) purpose of project was too broad and general; (f) submission was received too late for consideration by research advisory committee.

PAROLE OFFICERS, JUSTICE DEPARTMENT

Question No. 300—**Mr. Orlikow:**

1. How many parole officers are employed by the Department of Justice, and what is their jurisdiction?

2. How many of these are trained social workers?

3. How many are university graduates in the social sciences?

4. Does the department make provisions for bursaries for the training of more parole officers and, if so, how many bursaries and for how much?

Hon. L. T. Pennell (Solicitor General): 1. There are 74 parole officers employed by the National Parole Board, which now forms a part of the Department of the Solicitor General.

Parole officers interview inmates of penal and reform institutions, both federal and provincial, and investigate home conditions in order to appraise their prospects for rehabilitation in the light of conduct, industry, maturity and prospective community environments. They make comprehensive reports of their findings and make recommendations to the board.

Parole officers provide supervision for parolees either directly or indirectly through after care agencies. They are empowered to suspend parole and make recommendations for revocations, continuation or forfeiture of parole.

They also review applications for remission or suspension of court orders prohibiting operation of motor vehicles under the Criminal Code, conduct investigations and make dations to the board.

2. Thirty-three of these parole officers are trained social workers.

3. Thirty-nine are university graduates in the social sciences.

4. The department does not make provision for bursaries for the training of more parole officers. Rather, it promotes and encourages existing parole officers to improve their professional qualifications, particularly in the fields of social work and criminology. Departmental assistance takes the form of educational leave with pay and reimbursement of tuition fees.

PRISONERS IN PENITENTIARIES

Question No. 318—**Mr. Diefenbaker:**

1. How many prisoners were there in each of the penitentiaries in each of the years 1964, 1965 and 1966?

2. How many prisoners were released on parole in each of the said years?

Hon. L. T. Pennell (Solicitor General): 1. Inmate population as of December 31:

Penitentiary	1964	1965	1966
Newfoundland	27	35	9
Dorchester	769	699	735
St. Vincent de Paul	1155	1185	1131
Federal training centre	401	399	258
Leclerc	587	586	561
Cowansville	—	—	149
Kingston	874	845	863
Prison for women	125	114	84
Collins Bay	649	645	632
Joyceville	504	519	515
Manitoba	587	584	462
Saskatchewan	766	805	693
British Columbia	985	946	642
Matsqui (male)	—	—	343
(female)	—	—	24
Total	7,429	7,362	7,101

2. Paroles granted:

Federal institutions	1964	1965	1966
	653	822	909

QUESTIONS PASSED AS ORDERS FOR RETURNS

CROWN CORPORATIONS

Question No. 86—**Mr. Grégoire:**

1. What are the names of each of the crown corporations?

2. Where is the head office of each located?

3. Who are the auditors of each of these crown corporations?

4. Where does each of these auditors have his main place of business?

Return tabled.

FEDERAL PURCHASES OF CONTRACEPTIVE DRUGS

Question No. 187—**Mr. Schreyer:**

1. What were the government of Canada expenditures in each of the last two fiscal years for purposes of purchasing supplies of drugs and devices of a contraceptive nature?

2. By what departments were these expenditures made and what was the amount in each case?

3. From what drug manufacturing or distribution firms were these purchases made?

Return tabled.

CONTRACT AWARDS BY CROWN CORPORATIONS

Question No. 208—**Mr. Godin:**

1. Are the proprietary crown corporations, as defined in the Financial Administration Act, required to call for tenders before awarding a contract and, if so, what are the statutory or regulatory provisions requiring them to do so?

2. Are they required to award the contract to the lowest bidder and, if so, what provision requires them to do so?

Return tabled.

CLEAN UP AND BEAUTIFYING OF FEDERAL PROPERTIES

Question No. 222—**Mr. McCleave:**

1. Has the federal government or any departments thereof a policy of cleaning-up and beautifying government properties in this centennial year?

2. If so, how much money is being so allocated and for what projects?

Return tabled.

INVESTIGATION OF NEWLY DEVELOPED ICE PLOW

Question No. 241—**Mr. Harkness:**

1. Has any department of the government, particularly transport or Indian affairs and northern development, investigated the ice plow developed and tested by Alexbow Limited?

2. If so, what conclusions have been arrived at in regard to this device?

3. If not, will steps be taken to have the device fully investigated and tested?

Return tabled.

PILOT TRAINING FOR FOREIGN STUDENTS

Question No. 265—**Mr. Laprise:**

1. How many foreign students received pilot training courses in Canada during the years 1966 and 1967, and from what countries did they come?

2. Are these courses intended to provide pilots for civil or military service?

3. What is the cost to the government of Canada and by whom are these courses given?

Return tabled.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, July 7, 1967

Sir:

I have the honour to inform you that the Hon. Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 7th July, at 5.30 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary to the Governor General

Mr. Speaker: Order. Before we proceed further with the ceremonial part of the afternoon, may I be allowed to remind hon. members that they are invited to attend in room 16 after the royal assent, where we will be honoured by the presence with us of the Clerk of the house, Mr. Raymond, who is looking forward to the opportunity of exchanging greetings with his friends in the house.

THE ROYAL ASSENT

A message was delivered by Lieutenant-Colonel Alfred Fortier, Assistant Gentleman Usher of the Black Rod, as follows:

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

Royal Assent

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

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An Act to establish the Cape Breton Development Corporation.

An Act to amend the Canadian Citizenship Act.

An Act to amend the Canadian Wheat Board Act.

An Act to revise and consolidate the Interpretation Act and amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act.

An Act to incorporate Western Farmers Mutual Insurance Company.

An Act to incorporate Farmers Central Mutual Insurance Company.

An Act to incorporate United Investment Life Assurance Company.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1968.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1968.

Mr. Speaker: May I add as a postcript to the invitation I extended a few minutes ago that this invitation is, as usual, extended to the officials of the house and to members of the press gallery.

It being five minutes after six o'clock the house adjourned, without question put, to Monday, September 25, pursuant to special order.